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SOCIAL JUSTICE

National Weekly Review

Founded 1936 by Father Coughlin

The Suppressed Truth

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CONGRESS WILL GET CHANCE TO REGULATE U. S. MONEY

Photo by Ewing Galloway.

"We entered upon the New Era with 12 millions unemployed; we are entering upon the sixth year of 'the more abundant life' with 12 millions unemployed. The nation's net gain on its colossal expenditure, in the terms of jobs, is zero."— **See "Eyes and Ears Over the Capitol," Page 4.**

People Ready To Support a Reform Bill

SOCIAL JUSTICE to Keep Readers Informed of Measure's Progress in This Session

"I am assured that regulation of money will be considered favorably by our Congress which is now in session," Father Coughlin told the nation in his fourth broadcast last Sunday.

"A bill will be sponsored shortly in the United States Senate by Elmer Thomas of Oklahoma and in the House of Representatives by Wright Patman of Texas, designed to destroy both deflation and inflation," Father Coughlin informed the vast radio audience.

Full information relative to this measure and its progress will be printed in the pages of **SOCIAL JUSTICE** and advice will be tendered to all lovers of class co-operation to encourage these Congressmen in their historic campaign not only for economic liberty but for justice to all.

These able men are deserving of our support. We citizens must prepare in the meantime to give it at the opportune moment.

Monthly Payment Plan Perilous Trap as Long as Dollar Can Be Juggled

From Fr. Coughlin's Sunday Broadcast

Confiscation of property — especially of property belonging to the laborer and farmer —is an ordinary result of unregulated money. When times are prosperous through the inflation of currency and credit, the laborer and the farmer are enticed by weekly or monthly payment retail stores to purchase motor cars, furniture, refrigerators, clothing and many other articles.

When money is withdrawn from circulation through the activities of those private citizens who control it, prices melt, factories close, wages are diminished and, in many instances, millions of men are forced into idleness. Then, these persons who purchased articles on a weekly or monthly or yearly payment plan are unable to meet their obligations.

The laws of the nation are so written that they permit the creditors to seize the motor car, the refrigerator, the furniture or the article purchased on time, **even though the buyer had made four or five or ten payments.**

Through the grace of an unsound financial system and with the support of such inhuman laws, the monthly payment creditor not only confiscates the article but re-sells it, sometimes at its original price and always at an inflated price, to another victim, thereby doubling, trebling and multiplying his profits.

While I am not opposed to time purchases, it is my opinion that such **time purchases are contrary to social justice when they are effected under our present financial system** and under the benediction of partial laws which favor the seller and disfavor the buyer.

Contest Winners Next Week!

The patience of contestants in our recently closed **"KNOW AMERICA" Contest** will be rewarded by announcement of the prize-winners in **SOCIAL JUSTICE** of February 14—next week. Happiness and a sense of success will come to 335 readers of our weekly review who appear to have given the 50 questions a little more thought than other participants.

Of course, everybody cannot win, but in a great competition such as this there is always the compensatory feeling that much additional knowledge has been acquired. The contests of **SOCIAL JUSTICE** are purely educational.

Money Plentiful During Any War

More amazing revelations of the money controllers' "racket" were disclosed in Father Coughlin's broadcast. He said:

"The history of the American dollar indicates that there is a superfluity of money, or 'inflation,' during periods of war. In 1812 the dollar's value in commodities was raised to 155 cents; in 1865, in the Civil war, it rose to 132 cents; in 1918, at the end of the World war, it was rated at 154 cents. In every war year

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This Week's Issue Is the 100th Edition of SOCIAL JUSTICE

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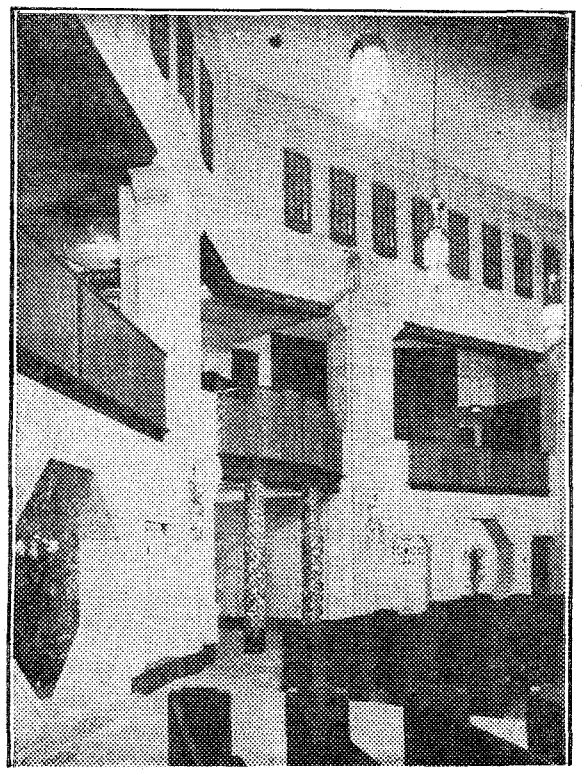

WILLIAM CURRIER is dead! Most of you readers do not know of whom I am writing. He was the gardener at the Shrine of the Little Flower.

Twelve years ago Mr. Currier with his family was registered as one of my earliest friends. At that time he was listed as the janitor, the sacristan and the usher at the Shrine. Three years ago he was entrusted with the task of beautifying the grounds which surround the new building.

* * *

I am not exaggerating a candid appraisal when I tell you that he was one of God's noblemen who edified both laity and clergy. Indeed, his life was a mirror of Christian perfection, as everyone recognized who came in contact with him and who listened to his homely, beautiful philosophy of the roses, the forget-me-nots, the maple trees and the spruce. To him each flower and shrub was a virtue. God had bestowed a gift of vision to William Currier's eyes, which enabled him to see the image of the Creator even in every blade of grass.

* * *

Mr. Currier is dead! For his sake, I am glad. For the sake of all his family and of all the flowers and shrubs he loved, I am sad. They will all miss him.

"Bill," as we knew him, has gone to join Bishop Gallagher's parish in heaven, as the folks around the Shrine so lovingly and childishly say. More than that, he is gone to associate with his friend, St. Joseph. He will help him cultivate the lilies of purity. He will find time, too, to visit the flower garden of Ste. Therese and help to coax into bloom more roses to scatter on this earth of ours. And, I hope, he will make it his business to cultivate the garden of Gethsemane in which we, who are left behind, are toiling.

God bless him! May his soul rest in peace. In our memory William Currier will live on forever.

THE INDICATOR

By Father Coughlin

HAVE you ever speculated on how much time the world expends on fault-finding?

Of course, nothing is perfect on this earth. Political, economic, physical, domestic and spiritual relations are in a constant state of flux as they flow either to higher levels of perfection or sink to lower depths of debasement.

* * *

Fault-finding, if properly controlled, is a virtue in the sense that there is an irrepressible desire on our part to better the things which surround us and mold them more in conformity with God's concept of justice and charity. If we ever adopted the foolish idea that the pinnacle of progress has been attained, it would be unhappy for every person concerned and very unfortunate for the world at large.

Thus, in our fault-finding, it is intelligent to be constructive, adhering to the rule of, first, discovering what is proper, just and Christian before we venture on any destructive program characterized merely by opposition or elimination; for, be it remembered, it is never difficult to destroy in a moment the work which required years to establish.

* * *

In dealing with abstract thoughts apart from those which are concerned primarily with the perfectibility of mechanics and the practical sciences, we should recollect how important is the human element which enters into all social progress. This human element is of such vast importance that we can entertain no solid hope for bettering the conditions of humankind unless the units of humanity —individual men and women—begin by perfecting themselves. Thus, it is a vain hope to write a Constitution and imprint laws upon our statute books unless the citizens who choose a Constitution and design laws are citizens of good will.

* * *

Sometimes it is possible to design wholesome laws by mere philosophical abstract thought. At other times constructive policies and legislation originate from practical experience gained through the operation of unreasonable laws. But at all times perfectibility is the result of a human mind which is well schooled in the principles of Christianity and of a human will which is well disciplined in the practice of personal virtue.

* * *

When we find fault, therefore, with the poverty, the unreasonable inequalities and all other social evils which surround us, our logical program should be one which follows this suggestion: "What would Jesus Christ say or do in similar circumstances?"

* * *

SINCE the beginning of civilization men have been busied emerging from the swamp of barbarism, blazing trails through the dense forests of ignorance, fetching precious minerals from the dark caverns of sorrow. One civilization followed another only to decay as did its predecessors because each one of them, trusting only in human intelligence and in physical power, failed to adopt the principle of co-operation with God.

Unless the Lord buildeth a house, in vain do they strive to build it!

Unless the Lord guardeth a city, in vain do they struggle who would defend it!

* * *

If our civilization can be saved and perfected, it is our obvious duty, if we are fault-finders, to ally oureslves firmly with God as we set forth in conquest of the Holy Grail of happiness in a chariot of hope drawn by the two chargers of Christian Justice and Charity.

* * *

William Currier is dead. His life was rich in the philosophy indicated in the above paragraphs. Although he was a simple Christian to whom was denied the benediction of a university course, he did much in tutoring many of us who knew him as a Christian philosopher of deeds which are deeply impressed upon our book of memory.

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America's Real Task Is At Home!

There's Too Much to Be Done Here for Us to Be Party to England's Fight in East

By Edward Lodge Curran, Ph.D.

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WE shall fight, with the last drop of our blood and the last breath of our bodies, against any nation that dares invade the democratic shores of the United States of America.

We shall fight for our homes, for our churches, for our democracy, for our civilization, against any internal forces that seek to destroy our American nation from within.

Communism is twentieth century despotism. Communism is the worst and most vicious enemy in our nation today. We shall not let Communism haul down the American flag from the flagposts of our schools and replace it—as William Z. Foster, head of the Communist party in the United States, wishes us to do—with the Red flag of dictatorship and bloodshed.

BUT we shall not fight for foreign governments that have always used us in the past when they needed us, and always repudiated us in the past when we had served their selfish and their hypocritical purposes.

We shall not fight the battles of Great Britain or of France. The Republic of France has an alliance with Soviet Russia. We assure France that she can never expect any American military, financial, or commercial support as long as she is arm in arm with international Communism, the enemy and not the mother of democracy.

We assure Great Britain that we will not fight her cause in the Far East or anywhere. **Our task is to bring about a regime of social justice for all in the United States** and not to send our troops—or our credit—abroad for the commercial supremacy of England in Asia.

THE greatest problem before the American nation today is one of social justice. Every effort of our statesmen and every activity on the part of our citizens should be in the interest of social justice.

To restore to Congress the exercise of its sole right of coining money and controlling credit.

To remove from our financial existence the issuance of non-productive bonds.

To abolish all tax-exempt bonds, the issuance of which have caused the loss of billions of dollars of revenue to the United States Treasury.

To adopt, in industry and agriculture, the principle of the just, living annual wage.

To drive the money changers from the temple with the same thoroughness with which we would drive a foreign invader from our shores.

Here is a program which the United States can inaugurate by itself. **Here is a program which should occupy the entire time and energy of every real American group and of every real American activity.**

Our eyes should be focused upon the United States and not upon Europe, or Asia, or Africa. We have enough things to clean up in our own house before we even dream of applying our "national sapolio" any place else.

Those who would have us fix up Europe or Asia, before we establish the universal reign of social justice in the United States, are the most subtle amongst the present enemies of our American democracy.

The United States—and not Europe—is our fatherland. Charity, which is universal, also begins at home!

The Die Is Cast

Readers Have Chance Until March 1st To Get Social Justice at $2 a Year

AN announcement extraordinary is contained in the following paragraphs.

It concerns the future of **SOCIAL JUSTICE NATIONAL WEEKLY.**

Ever since Father Coughlin regained complete editorial charge of this publication, he has been anxious to perfect this journal from every viewpoint.

Believing in the sincerity of his followers and in the soundness of the principles and doctrines of social justice, he is anxious to enlarge the magazine's circulation so that hundreds of thousands of citizens besides our present readers might share in the doctrine of class co-operation, of Christianity and of Americanism which he preaches.

Militating against the progress of circulation efforts was the journal itself. It was issued on the cheapest newsprint available. It was edited under circumstances which were more or less impoverished.

Although its contents were praiseworthy, nevertheless, their presentation was unavoidably subject to much criticism.

Now, the die is cast! A highly improved **SOCIAL JUSTICE** is in the making!

Beginning the first of March, this new publication will make its bow to the American people.

It will be printed on "forty-five-pound magazine stock."

Its cover will be dressed in two colors on a "seventy-pound enamel stock."

To begin with, the first issue will contain twenty pages.

These pages will be doubly stitched.

Although the cost of production will be several times greater than at present, due to the improved physical form and to the outstanding writers whom Father Coughlin has engaged to assist him, the price of **SOCIAL JUSTICE** will not be advanced so much.

This new weekly review, which will present the old truths plainly and accurately, will advance its subscription price from $2 to $3 per year, beginning March 1.

Necessarily, the retail price of single copies sold on street corners, drug stores, newsstands and elsewhere must advance to cover the increased cost of production. This advance will be nominal, however. **Meanwhile subsubscriptions received before March 1 (8:00 A. M.) will be honored at the $2 per year rate.**

Thousands of persons will no doubt avail themselves of this opportunity.

After March 1 (8:00 A. M.) when this beautiful weekly review will have made its appearance, many more thousands will be anxious to enroll themselves as our readers.

Many hundreds of men and women, boys and girls will be anxious to become distributors of **SOCIAL JUSTICE WEEKLY** in their neighborhoods and cities. Necessarily, this number will be limited because a flood of applicants will be anxious to make the extra percentage which the Social Justice Publishing Corporation has decided to give its new vendors—a greater percentage than any other magazine of twice the price is offering to newsboys and distributors.

Therefore, all who desire to take advantage of this information and become distributors must write this week, or next week, at the latest, directly to Father Coughlin, asking him to put their names on the list for 25 or more copies of the new **SOCIAL JUSTICE WEEKLY.**

Their application must be accompanied by a note of recommendation from some reliable person. No newsboy's or vendor's or distributor's application will be accepted unless the person is reliable and worthy.

Provision is made by Social Justice Publishing Corporation practically to double the revenue of all distributors who sell this new weekly review.

More than that, its sale will be greatly facilitated by its beautiful new appearance.

Once more, March 1 is the deadline for all subscriptions at $2 a year.

OFFICIAL NOTICE

In an INDICATOR article which appeared several weeks ago, Father Coughlin pointed out that henceforth his attention would be occupied with broadcasting and with editing **SOCIAL JUSTICE.**

At that time it was inferred that no longer would he have time to manage all the details of Social Justice Councils.

Thus, officially, it is announced that the complete management of all Social Justice Councils is hereby placed under the jurisdiction of a National Committee composed of Walter Baertschi, Maumee, Ohio, Miles Hayes, Weymouth, Massachusetts, and Joseph Robbins and William Sayer, acting as one, of Philadelphia, Pennsylvania.

It will be necessary to add to this announcement several important instructions:

1. All appointments made by Father Coughlin previous to January 1 are null and void.

2. No state co-ordinator or council moderator is to be recognized unless he has, in writing, an official appointment from Mr. Walter Baertschi.

3. No Social Justice Council is recognized as such until it receives official recognition from Mr. Walter Baertschi. No Social Justice Council will receive this recognition at any time as long as its officers, members and meetings are characterized by dissensions.

4. No Social Justice Council is permitted to indorse any political party or any politician for any office. No person identified with a Social Justice Council can retain his identity if he campaigns for any politician or political party; and no moderator or officer of a Social Justice Council is permitted to allow such a person to attend meetings or engage in the work of Social Justice Councils.

5. No Social Justice Council is permitted to hold dances, card parties or any other affairs for the purpose of collecting money unless the moderator of that Social Justice Council has written permission, and for that specific party, from Mr. Baertschi, Mr. Hayes, Mr. Sayer or from one of the state co-ordinators officially appointed in writing by Mr. Baertschi. It is regrettable to note that while many parties are being held to raise money to help defray expenses for Father Coughlin's broadcasts there are many abuses and much disorder entering into the whole program.

Henceforth, it is preferable for individuals who wish to help Father Coughlin **to do so directly and not through the agency of Social Justice Councils.**

Father Coughlin is to remain as the teacher over the radio and through the paper not only of members of Social Justice Councils but of all American citizens independent of class, creed or connections.

These instructions are final and definite. No deviation from them will be tolerated whatsoever. Those Social Justice Councils which wish to operate under these conditions should make it their business to correspond with Mr. Walter Baertschi immediately at 1416 Woodward Avenue, Royal Oak, Michigan, in care of Social Justice Publishing Corporation.

At this time Father Coughlin expresses sincere appreciation for all the work accomplished by Social Justice Councils. It is his desire that, having put aside all personal animosities, they will continue to flourish, imbued with Christian principles.

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SOCIAL JUSTICE

NATIONAL WEEKLY REVIEW

REV. CHAS. E. COUGHLIN, LL.D.
Editorial Counsel
(By permission of his Superior)

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PRINCIPLES OF SOCIAL JUSTICE

1. **Liberty of conscience and education.**
2. **Just, living, annual wage.**
3. **Nationalization of important public resources.**
4. **Private ownership of all other property.**
5. **Control of private property for public good.**
6. **Abolition of Federal Reserve Banking System and establishment of a government-owned Central Bank.**
7. **Restoration to Congress of its sole right to coin and regulate the value of money.**
8. **Maintain cost of living on an even keel.**
9. **Cost of production plus a fair profit for the farmer.**
10. **Labor's right to organize.**
11. **Recall of non-productive bonds.**
12. **Abolition of tax-exempt bonds.**
13. **Broadened base of taxation on basis of ownership and capacity to pay.**
14. **Simplification of government and lower taxes.**
15. **Conscription of wealth as well as men in event of war.**
16. **Sanctity of human rights preferred to sanctity of property; with government's chief concern for the poor.**

The President Looks for War

THROUGH the efforts of the president of the United States, the long standing ideal of the American people, insured neutrality, has been successfully ditched. Whether the American people like it or not, they are now preparing for war.

Those who doubted that we have a war-bent chief-executive, even after his belligerent address in Chicago last October, need only read his message to Congress on national defense to have their doubts swept crushingly away.

The president, who is under an obligation of honor to the people to carry out their repeated mandate to preserve the neutrality of this nation, cost what it may, made never a recommendation to the Congress to pass legislation strengthening and perfecting the Neutrality Act.

On the contrary, he made a specific recommendation which is unmistakably a war-measure, predicated upon the expectation that the United States will soon be a belligerent nation.

What other construction can the rational mind place upon the following explicit presidential recommendation to the Congress:

"I believe also that the time has come for the Congress to enact legislation aimed at the prevention of profiteering in time of war and the equalization of the burdens of possible war. Such legislation has been the subject for many years of full study in this and previous Congresses."

Yes, Mr. President, it has been the subject of study ever since the last war—but it has always been of secondary interest and of secondary importance, in the minds of the majority of our people, to the study of legislation which would effectively preserve the neutrality which is the overwhelming sentiment of this country toward all European and all Oriental slaughter-fests.

The passage of legislation of the type you recommend, Mr. President, is utterly meaningless if this nation might fortunately devise ways and means of staying out of war; and until the time comes when it is evident that our country cannot possibly escape the disaster of war (and in spite of all your tom-tom beating **that time has not arrived**), it is a Satanic breach of faith with the people whose destinies are in your hands not to fight to the last ditch for the preservation of our peace, leaving war measures to a later and darker day.

Your speech of last October and now your official recommendation to the Congress, Mr. President, leave the thinking citizen only two ways of interpreting your mind: Either,

(1) You have despaired of guiding this nation through the ways of peace to an uncompromising and, if necessary, a self-sacrificing neutrality; or,

(2) You, through your personal international sympathies or the compulsions of a turbulent spirit, believe that this nation, following the bloody naivete of Woodrow Wilson, should go to war with Britain, France and Red Russia to scatter the shores of the Mediterranean or the deserts of China with the mangled remains of young American manhood—all in the name of "democracy."

In either case you poorly represent the will and the sacred hopes of the people who have entrusted you with their supreme confidence.

Your message contains no ringing challenge to the Congress to preserve our peace, no clear cut recommendation to entrench our neutrality.

It proposes only a greater army and navy—**and a bald, blunt and unmistakable war measure.**

The Triumvirate of Destruction

WITH the news of the president's warlike "defense" message, come press reports from Washington that the sentiment of the nation toward American involvement in war is rapidly changing. The Congressmen, so it is reported, note a different tenor in the letters coming from their districts. The people, the inference is, are beginning to favor a stiffer attitude on the part of our government toward the aggressor nations of the Old World.

That is strange news to follow so closely on the heels of the powerful public pressure which forced a vote so close to a majority of the House of Representatives on the Ludlow Amendment (to place the war-power directly in the hands of the people) that the president himself had to step down from the high dignity of his office for the purpose of publicly lobbying against the measure.

Also coming from Washington are reports that British observers at the capital feel that there is little probability that the United States will become involved in a foreign war during the year 1938, but "they predict that 1939 or 1940 will see this country embroiled either in the Far East or in Europe. They believe that it is impossible for the United States to remain neutral when other nations clash, because of incidents which would occur as this nation sought to continue world trade."

So the same old combination is at work to change the minds of the American people for them: the politicians, the subsidized press and the agents of the British government.

That combination worked perfectly in 1917. Within six months from the time the American people went to the polls to re-elect an unpopular president simply because he had kept up out of war, they were whooping it up for war, for enlistments and for the scalp of the Kaiser.

The same sentimental approach has been at work in our newspapers for months. Lurid pictures of Chinese women and children victimized by Japanese aerial bombs. Stories of Spanish innocents sacrificed on the altar of modern war.

The sentimentalists who are affected by this kind of war-propaganda never stop to think that, if we let our own nation be drawn into one of these insane orgies of the Old World, that our own bright young men will be dropping bombs on Japanese babies and their mothers to make the orient safe for Communism—or on Italian women and children to make the Mediterranean safe for the traffic of the British Empire.

A nation cannot go to war, at this advanced period of our civilization, without doing such things—and worse things. These sentimentalists should also remember that even this continent is no longer safe from the death that rains from the heavens. Do we want our own women and children to share the savage fate of the Spanish and the Chinese?

If we do not we ought, as a nation, to set our representatives in Congress right on the true attitude of the nation. Every American citizen should write his Congressman and his Senators, and tell them that America is against any European or Asiatic invasion.

Let the American people fail to do that and the old triumvirate of destruction, the politicians, the press and the British propagandists will win again as they did in 1917.

EYES and EARS

By Mark Meechan

NO one will ever know how many jobs the 18 billions of dollars (or more), spent by the New Dealers in the short space of five years, "created."

All that ever will be known is that the nation went into the New Deal with about 12 million Americans unemployed, and that we entered the sixth year of "the more abundant life" with approximately 12 millions unemployed.

Our nation's net gain on its colossal expenditure, in terms of jobs, is somewhere in the neighborhood of zero.

In terms of national vitality, that is resistance to economic disease, we have suffered devastating losses.

We should all critically inspect the red side of the national balance-sheet for the period since the Roosevelt administration began to keep the books.

* * *

What are the new items of loss we sustained in "creating" jobs that wouldn't stay created? Let us list them:

1. We are 18 billions of dollars (and more) deeper in debt than we were on March 4, 1933.

2. This increase in the debt requires the annual payment of approximately a half billion dollars in new interest charges.

3. Yearly governmental expenditures from two to five billion dollars greater than the $3,500,000,000 spent in 1930.

4. Higher taxation which decreases purchasing power—"openly," as in the case of income taxes, and "secretly", as in the increase of commodity prices caused by industry passing its tax burden on to the consumer.

5. More of the "employed" are on the government payroll; fewer of the employed are in creative private industry. This means that even the employment situation is less healthy than in 1933. The vast army which has been added to bureaucratic government jobs, and which is listed in the columns of the employed, is not paid from the creation of new wealth, but lives parasitically on the taxes of the man and woman engaged in self-sustaining employment.

6. The deadening influence that bureaucracy historically has exerted on personal initative and general progress.

7. The inefficiency that results when the untrained (politicians) seek to manage, influence or penalize the vast and complex technology on

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The "Roosevelt Depression"

A British Analysis of The President's Recipe For Creating Confusion

From the London Financial News

Perhaps the most surprising fact about the present depression in American trade is that it should have taken so many people by surprise. **The depression was absolutely inevitable. Neither graphs nor economic jargon nor statistics are required to show how Mr. Roosevelt made the depression which should always bear his name.** He created it by methods which were as direct as they were effective.

The power to create a state of uncertainty in which no business man or investor will incur risks is vested in the president of the United States. Mr. Roosevelt is the first president who thought fit to use that power.

Of Mr. Roosevelt it may be said that he means well but acts erratically. In a dark hour of his country's history his leadership was splendid, his brave spirit was infectious. He is a man of principle without principles. But in public life he demonstrates the truth of Oliver Cromwell's saying that "No one goes so far as he who knows not whither he is going."

No One Knows What Next!

The president's policies revolve with the swiftness of an aeroplane's propeller. One day an inflationist, the next a deflationist. A fixer of prices who denounces his own creations, a giver of what he calls "the more abundant life" who orders the destruction of food while millions of his fellow countrymen are undernourished. A great preacher of free speech who threatened the political ruin of the Senators who for the sake of principle opposed his Supreme Court "reforms." A bitter critic of bureaucracy who has created so many bureaus that Washington cannot contain them. A stern advocate of economy who has spent more money than any president in the history of the United States.

No one, least of all the president, knows what he will do next. In the light of these inconsistencies, can it be denied that "confidence" and Mr. Roosevelt go ill together?

Brain Trusters Insured Depression

Mr. Roosevelt, having taken unto himself economic responsibilities which no constitutional president could hope to discharge, went in search of skilled and sympathetic "economic" assistants. He recruited a tribe of professors, lecturers, lawyers and social workers, none of whom had ever been touched by the pitch of profit making. Though every one had his own economic nostrum, all were united in deploring the capitalist system.

These new civil servants ran to and from the president's office, which became the operating theater of American industry. Mr. Roosevelt viewed with wonder and approbation their experiments on Uncle Sam's economic body. They tapped it here, they prodded it there, to test the reactions of an unsocial organism. No one bothered about the fact that the patient upon whom the experiments were conducted had not only to satisfy the president's curiosity, but must also pay the professors' fees and provide the means of livelihood of 130,000,000 persons.

The contradictory policies of Mr. Roosevelt and his professors would account for any depression. They challenged the truism that the capitalist system cannot function without a regular supply of capital. They launched a raid on the undistributed-profit surplus from which any well managed business derives new plants and finances plans for expansion.

The Ford company was a good example of how a business can be developed from surplus profits. But the president and his advisers were most anxious to curb men like Ford. Their scheme for taxing undistributed profits had the merit of not only baiting economic royalists like Mr. Ford, the Mellons or the du Ponts—it also provided a large but uncertain revenue for other New Deal experiments. The fact that it hit most sound businesses in America mattered not. It was just a coincidence that it was a body blow to the small businesses which are cherished by the president. No one can be expected to legislate for coincidences.

Policy of Revenge Costs Many Jobs

While his coadjutors were shackling industry and finance, Mr. Roosevelt was not idle. He was leading the attack on his ancient foes, the public utility corporations and the railways. His vendetta against the utilities defies description. Upon them he exhausted the resources of invective, he set the government up as their competitor, he encouraged the trade unions to attack them. To him the railways were several degrees less wicked. And so he contented himself by instigating the trade unions greatly to increase their costs while encouraging the Interstate Commerce Commission to show a masterly inactivity in considering the railways' application to increase rates.

It is difficult to estimate the unemployment caused by this frantic feud. That it must be very great is indicated by the fact that from 1923 to 1932 power companies spent an average of $752,000,000 a year on new construction. Last year they spent $290,000,000. The hapless railways have 21 per cent fewer locomotives and 24 per cent fewer cars than they owned in 1930.

Roosevelt's punitive mind is mirrored in the drastic extensions of the capital-gains tax. Through them he has certainly paid off old scores. The fact that he has also restricted investment and sterilized many types of desirable enterprise worries him not at all. Mr. Roosevelt, like most vocal humanitarians, is a great hater. But even he may yet realize that taxing for revenge is not in the best interests of the state or its treasury.

"We Planned It" Fixes Responsibility

Not long ago the president declared that the recovery in business was no mere turn of the trade cycle. **"We planned it so and don't let any one tell you differently."** Now that the Roosevelt planned recovery has vanished, his critics are asking him how he planned the new depression. They are unjust to Mr. Roosevelt. **He did not plan the depression. He just muddled and meddled himself into it. If the economic royalists were responsible for the last depression, Mr. Roosevelt and his budding commissars must take the responsibility for this one.**

It is a grave responsibility. As a result of their crazy experiments in taxation and their policy of harassing industry, the lights are going out in factories all over America. The direful "no men wanted" signs are being brought out of storage. Workingmen may be forgiven for thinking that Mr. Roosevelt's passion for half-baked reforms has reformed them out of their jobs. There is much rawness in Roosevelt's new dealing.

This Baffling "Science"

Economists Trip in Web Of Own Theories Because Laws Operate On Yesterday's Facts

By Stuart Chase
Condensed from Harper's Magazine

FORMAL economics is a jumble of abstract terms. Unemployment is not a thing. You cannot prove its existence, except as a word. And if you cannot see through the word "unemployment" to the reality of breadlines, ragged children, suffering, privation and misery, you have no business hanging out your shingle as an economist.

To make the study of economics conform to the "scientific" method, it is necessary to adopt the "operational" approach. Never mind the theories, get at the facts. Use observation. What is Rufus doing on his farm? What is Roy doing at his bench? What is Sylvia doing at her desk? Record your observations, and then, and only then, proceed to inferences. Check the results against the rules; don't infer the results from the rules.

Inferences drawn by Adam Smith about England in 1770, or by Karl Marx about the England, France and Germany of the 1850's, obviously are worthless for America today. To criticize American economic behavior today, to prescribe for its improvement because Marx said thus, and Smith said so, is as foolish as believing that a fly has eight legs because Aristotle said it had.

EDITORIAL writers today are still infatuated with the laws of a make-believe science of economics and pull them out whenever reformers of congressmen propose a measure which editors do not like. "We cannot circumvent the law of supply and demand—Only crackpots would seek to outwit the immutable principles of economics," they say. But "classical economics," upon which their reasoning is based, was in its inception largely innocent of the scientific method. It became a kind of theology, selling indulgences to business men. As factories expanded after Watt's steam engine, a philosophy was needed to give respectability and prestige to the rising class of manufacturers.

The classical economists fitted out the business man in a fine, new philosophical suit. The workers went spiritually ragged until Karl Marx came along with new suits for them. Marx's philosophy of socialism was badly needed as an offset to the classicists but as a contribution to knowledge it was dubious. The followers of Marx have dumped science overboard and clung to his theory, philosophy and hatred. They have turned him into a kind of demigod. Current questions are not settled by the facts of today but by the authority of the masters: "Marx says . . ."

There are class struggles here and class struggles there. But "the" class struggle is useless as an absolute law. Users of the phrase disregard the date of Marx's observations—the 1850's. They disregard the phrase—Western Europe. And they disregard the fact that it was an hypothesis. When the class struggle becomes an article of faith the Worker is canonized and Labor can do no wrong. Any strike is a holy crusade; any man with a pick is a better fellow than one with a plug hat.

WHAT kind of a union? When? Where? Once these questions are examined and answered, the ghosts depart, and reformers begin to realize that some unions are initiated by crooks, that some are purely commercial, and that some are functionless.

Orthodox economists have had a particularly unhappy time since 1929. Governments all over the world have been indulging in financial operations of a shockingly unorthodox character. It was held that Mussolini could not carry on his vast operations in Ethiopia with a gold reserve of only $300,000,000. But Mussolini did it and is, alas, still afloat. It was held that a nation with a gold coverage of less than 2 percent was a financial corpse. Panic and chaos were inevitable. The German treasury is such a corpse, but the dead does not fall down.

It was held that if the British government ever repudiated a debt the financial backbone of the planet would be broken. The British treasury owes us billions. We can whistle for our money. But the pound remains firm, ships still sail the seas.

Is the trouble that the wicked world pays no attention to the "laws" of the economists, or that the laws themselves have little relation to reality?

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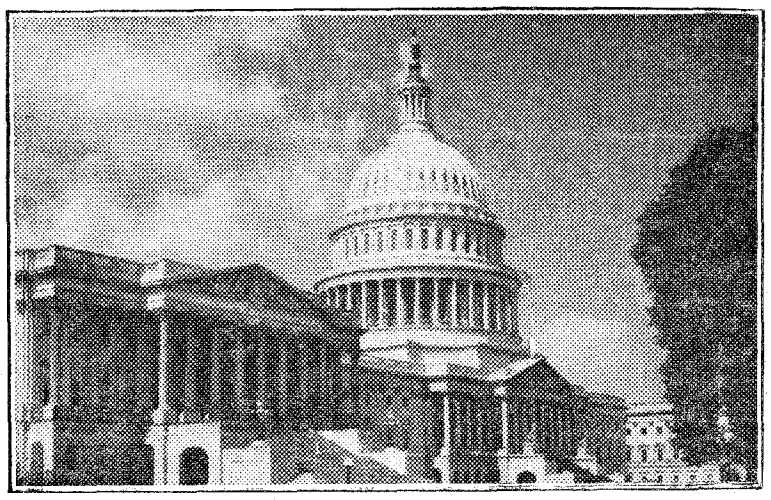

RECORDINGS FROM CONGRESS

Co-operation Must Replace Class Wars

By Hon. E. E. Cox
Representative from Georgia

WHY do we not admit frankly that we have a recession due to a combination of circumstances and conditions, and instead of pointing the finger of accusation at some particular class or group, **call the leaders of all classes into conference, bring about co-operation by all classes, determine the causes, so far as possible for the recession, and begin at once courageously and honestly to eliminate those causes?** Then, when that is done, if some group or class or some individuals refuse to help and seek to hinder, then let us name them out, and let us take whatever action that may be wise and just and necessary to compel their co-operation.

There are certain fundamental economic laws which underlie this whole situation, that cannot be eliminated by any government, by any group of financiers and industrialists, nor by any labor organization:

Production power is people plus machinery.

Consumption power is people plus purchasing power.

Every cost of production and distribution, including all wages, salaries, bonuses, dividends, interests, taxes, and profits must be recovered at the point of ultimate consumption — **the retail counter** — if business and industry are to survive and continue to function.

Production cannot survive without consumption. Consumption cannot be without production.

Any increase of taxation, any increase of wages and salaries, any decrease in hours of work which increase production costs, must be reflected in price at the retail counter and that price must be paid, in the main, by the very workers whose wages are increased and whose hours are shortened. That in turn means, that although an increase in wages means more dollars in the pay envelope, it may not mean more abundant life because of increased prices.

In many cases, real wages — the actual purchasing power of the wage dollar—are so lowered by increase of price that labor suffers a reduction in real wages instead of an increase as a result of unwise wage increases and shortening of hours.

We cannot stand another major depression. **We do not need to stand another major depression, regardless of conditions throughout the rest of the world.**

But if we separate our citizenry into classes, if we try to shear one class and one group after another of their rights, we then can expect only that when the confusion grows sufficiently great, when the fears of the various minorities become sufficiently aroused, some groups will try to seize the reins of government under the pretext that they will make the people economically and socially secure; and a revolution will then be the only way in which we can recover the lost rights and liberties of our children.

Trade Treaties Hamper Action Of Congress

By Hon. Earl C. Michener
Representative from Michigan

There is one feature of these trade agreements that has not been sufficiently stressed. The Secretary of State enters into the agreements, then later Congress desires to pass legislation affecting the matters covered by the agreement, whereupon the Secretary of State immediately opposes the action of Congress because he states it would be morally wrong for Congress later to enact legislation which might affect these trade agreements.

As witness I call attention to the sugar agreement with Cuba. When sugar legislation was up for consideration, we were confronted with this situation: The Secretary of State opposed the sugar bill because he had agreed with Cuba that this country would not increase sugar production during the life of the trade agreement.

Higher Mail Rates Will Penalize Reader Class

By Hon. Paul W. Shafer
Representative from Michigan

THE entire system of trying to to destroy any individual, and group, class or agency which opposes the New Deal march toward an authoritarian form of government is behind the present attempt to wreak reprisal against the press.

The president has taken the position that the press of this country should be denied the mail rates now accorded it, which have been settled rates for scores of years.

He must be aware of the fact that if the newspapers and periodicals of this country are forced to pay higher mail rates, the cost is not going to fall heaviest on the larger newspapers and magazines. **He certainly must be aware that this increased cost will not and cannot be absorbed by the small newspapers and magazines, but must and will be passed on to the subscribers.**

It means that **the cost of reading, the cost of information, and the cost of comment on public questions will be greatly increased to the poorer classes and to the farmers,** who now are able to enjoy their publications at a fair and economical cost. These are the ones who will be penalized by Mr. Roosevelt's assault on the American press.

Whether it is intended by Mr. Roosevelt to be so or not, the inescapable effects of this campaign to increase the cost to the subscribers of all publications and printed avenues of information is to turn hundreds of thousands to the radio for their only information and comment on vital public questions as they abandon their newspaper and periodical subscriptions.

No method exists under the Constitution for controlling or limiting a free press. The framers of the Constitution wisely saw to that. The radio is rapidly growing in importance and influence as an agency of communication. **The agency for controlling that medium of information and comment does exist.** It is the federal communications commission which is under the domination of the administration.

The tenor, the quantity, and the kind of information and comment that goes out over the radio can be controlled and regulated.

It has been demonstrated in several European countries that suppression of free press and free speech leads straight to dictatorship, just as dictatorship must of necessity suppress and abolish free press and free speech.

New "Plans" Would Stump Even Genius

By Hon. Noah M. Mason
Representative from Illinois

I WAS met today with this question: "Congressman, what is 'planned production'? I listened to the discussions that these big business men have with F.D.R. about 'planned production' and I can't make out what they are talking about. **I thought all production was planned.** I even thought those $50,000 salaries that are paid to industrial executives were paid because they were experts at planning production. Am I a numbskull because I don't understand?"

I answered by saying: "If you are a numbskull because you do not understand this planned production business, millions of thinking people are numbskulls also. The first New Deal example of planned production was the now discredited and discarded scarcity program. This was a plan to bring about 'the more abundant life' by producing less, and even by destroying that which had been produced.

"The second attempt at planned production was the adoption of the much - advertised 'planned abundance theory'—something that everyone talked about, but no one did anything about. Now comes the third phase of the planned production idea. It is very simple. It means that every person's needs, capacities, desires, wishes, hopes, aspirations, and what not will be surveyed, analyzed, estimated, determined, measured, and weighed by experts in the employ of the government, and then just enough goods will be ordered produced to satisfy all of us. Isn't that easy and simple?

"I confess I don't understand it any better than you do. It takes an Einstein to understand the contradictions and inconsistencies of the New Deal." The Roosevelt depression reminds me of the following well-known quotation from Burns:

"The best-laid schemes o' mice
an' men
Gang aft agley,
An' lea'e us nought but grief
an' pain,
For promis'd joy."

World's Champion Promise Maker

—Shoemaker in the Chicago Daily News.

Smoke Screens

By Hon. Bertrand H. Snell
Representative from New York

The present objectives of the administration have become as clear as crystal. For reasons of political expediency the Roosevelt depression is to be rechristened.

A wedge is to be driven between big business and small business, regardless of the obvious identity of interest between the two. Monopoly is once again to be converted into a circus for the entertainment of the public. And behind this smoke screen, the legislative program, which bogged down so woefully in this special session of Congress is to be revived in its entirety.

Wages and hours bill, farm bill, and the administrative reorganization bills—they are all with us once more—all New Deal measures drafted by the same anonymous crew. And this time they are urged as measures to promote economic recovery.

Political Mail Is Blamed For Post Office Deficit

By Hon. Albert J. Engel
Representative from Michigan

THE highest revenue taken in by the Post Office Department in the history of the department was in 1930 when the revenue amounted to $705-million, including ocean and air-mail subsidies.

The revenues of the Post Office Department in 1938 exceeded the highest year in the history of the country by $56-million, and in 1939 will exceed that year by $90-million. In the face of these facts we find we still have a deficit. Call it postal or non-postal revenues, a deficit just the same.

Now let us examine the record and learn just why there is a deficit. The payroll figures show that in 1933 the Post Office Department paid in salaries $482,313,357. The same record shows that **in 1938 the payroll amounted to $594,350,115, or an increase of approximately $112-million.** Testimony before the committee last year showed that the 40-hour week, would cost approximately $35-million. Allowing this amount for the 40-hour week, we find that the increased payroll of 1938 over 1933 amounts to $77-million.

This year the president blames the deficit to the fact that the Post Office Department is carrying, he claims, newspapers for less than cost and making free delivery of country papers within the county.

The only mail that is carried free is the little county weeklies that go out to the farmers—at a cost of approximately $660,000 a year. Not one rural carrier would be discharged by making those little newspapers pay this carrying charge, and there would in fact, be no actual saving.

Yet the tables show the number of pieces of franked mail sent out by departments and by members of Congress each year, the number of pounds, and the lost revenue.

These departments sent out, during the four year period (1934-1937 inclusive) 2,566,504, 407 pieces of free mail.

The mail these departments have sent out in four short years weighed 353,991,329 pounds.

This amounted to 55 pieces of mail weighing eight pounds (of free mail) for every one of the 45 million voters who cast their ballot in the last election.

Then we talk about the newspapers. We talk about the poor little country press that is trying to tell the farmer that his neighbor's cow died, and we blame him for it.

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Farm Experiment Not Proven Sound

JOHN BROWN owns a good sized farm in Iowa. He grows corn, acres of it. He has never paid much attention to all this talk from Washington, but lately he has been reading about the New Deal.

Of course he is interested in his future, but experience has shown that most talk in Washington has little to do with **his** future. As for this business of the government controlling crops, Brown is not worried. It will not be compulsory, he is told, and every farmer will have a chance to vote.

Not so, said Mr. Oscar Johnston, special representative of the Department of Agriculture, even as far back as last October.

"I don't care whether we have compulsory control or not," he said. "Because if we can get 75 per cent of the farmers to join, the program will become compulsory. **That 75 per cent would not stand by and see the minority chisel. If they can't make them co-operate by legislation, there might be a Ku Klux Klan or night riders.** I believe that **a control program will become compulsory.**"

John Brown should start to wonder.

Any experiment destined to create improvements and great changes in American life, involving human relations, ambitions, hopes—should not be made until it has been studied with a view first to foresee and understand every predetermined result. Such an experiment is the farm bill (H.R. 8505, S. 2787) recently in committee. It should be studied for its possibilities of success as well as failure. It is like a biological experiment.

But these experiments differ in one important respect. The carcass remaining after the failure of a biological experiment can be lightly discarded. The farm experiment, since it involves a change of national laws and market practices, must be proven to be economically and functionally sound before it is ever enacted. This, the current farm bill is not.

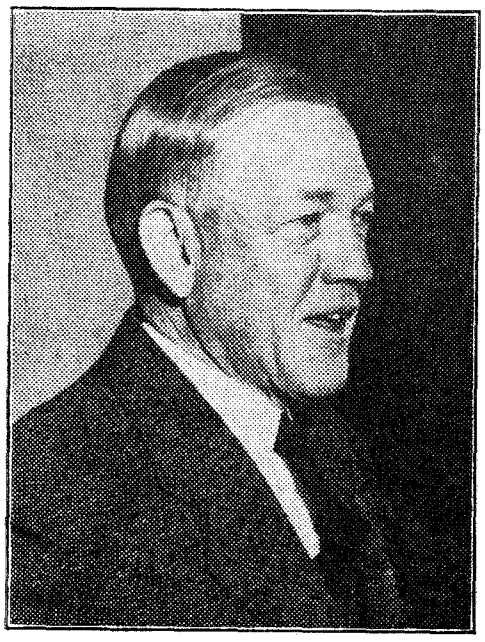
ONE of the things necessary for life is the right to hold property and exclude others from its use. This is what is known as the right to private property, which right existed long before the establishment of any form or kind of government.

John Brown's right to ownership is a natural right which no state or government can assume without social injustice.

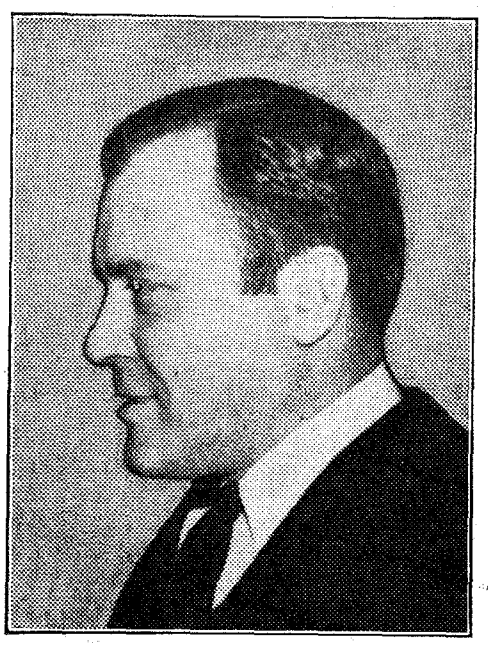
There is a distinction between ownership and use, when they conflict in the interests of the people. **In the case of the community's extreme need, and only in this case,** an individual's right to own property must give precedence to the community's need for its use.

This philosophy was enunciated by President Roosevelt in his Jackson day address when he used Father Coughlin's old simile of the tail wagging the dog.

Farmer May Own Land But May No Longer Use It---Ultimatum Of Pending Agricultural Bill



Senator McNary



Representative Boileau
—Wide World Photo.

He went further in his message to Congress, when he said:

> "There are those well-meaning theorists who harp on the inherent right of every free-born American to do with his land what he wants. . . .
>
> "That, I assert, is not an inherent right of citizenship. For if a man farms his land to the waste of the soil or the trees, he destroys not only his own assets, but the nation's assets. Or, if, by his methods, he makes himself, year after year, a financial hazard of the community and the government, he becomes not only a social problem, but an economic menace.
>
> "The day has gone by when it could be claimed that government has no interest in such ill-considered practices and **no right through representative methods to stop them.**"

The farm bill, recently in committee, is the administration's answer to the above claim. It seeks to establish the government's "right, through representative methods, to stop" the farmer from raising what he pleases.

But the president's message and the new farm bill disagree. Instead of preventing the destruction, the government is the agency which is urging it.

Truly, there is an extreme need, but that need is not for a destruction and reduction of the amount of food produced. What John Brown and his fellow Iowans—and you and I, for that matter—really need is, **not less food than we have now, but more money with which to buy food and clothing and shelter and comfort.**

ONE whole third of this nation stands as evidence that we do not have too much wheat or corn or rice or tobacco or cotton. Last year's import figures (of these products) substantiate their evidence. With these facts before it, the Agricultural Department should fear even to think of urging a bill to curtail and reduce these important products.

Both bills (H.R. 8505 and S. 2787) have the title:

"To provide for the conservation of national soil resources and to provide an adequate and balanced flow of agricultural commodities in interstate and foreign commerce."

From that point on, they differ.

Both Houses use $500-million to pay producers to reduce their acreage of tobacco, wheat, corn, rice and cotton, to other non-competing soil building crops.

The introduction of the amendment by Senator Charles L. McNary of Oregon in the Senate bill (S. 2787) and by Representative Gerald Boileau of Wisconsin into the House bill (H.R. 8505) forbids the farmers to use their "diverted acreage" even for crops "not subject to control" which are known in the bill as non-competing.

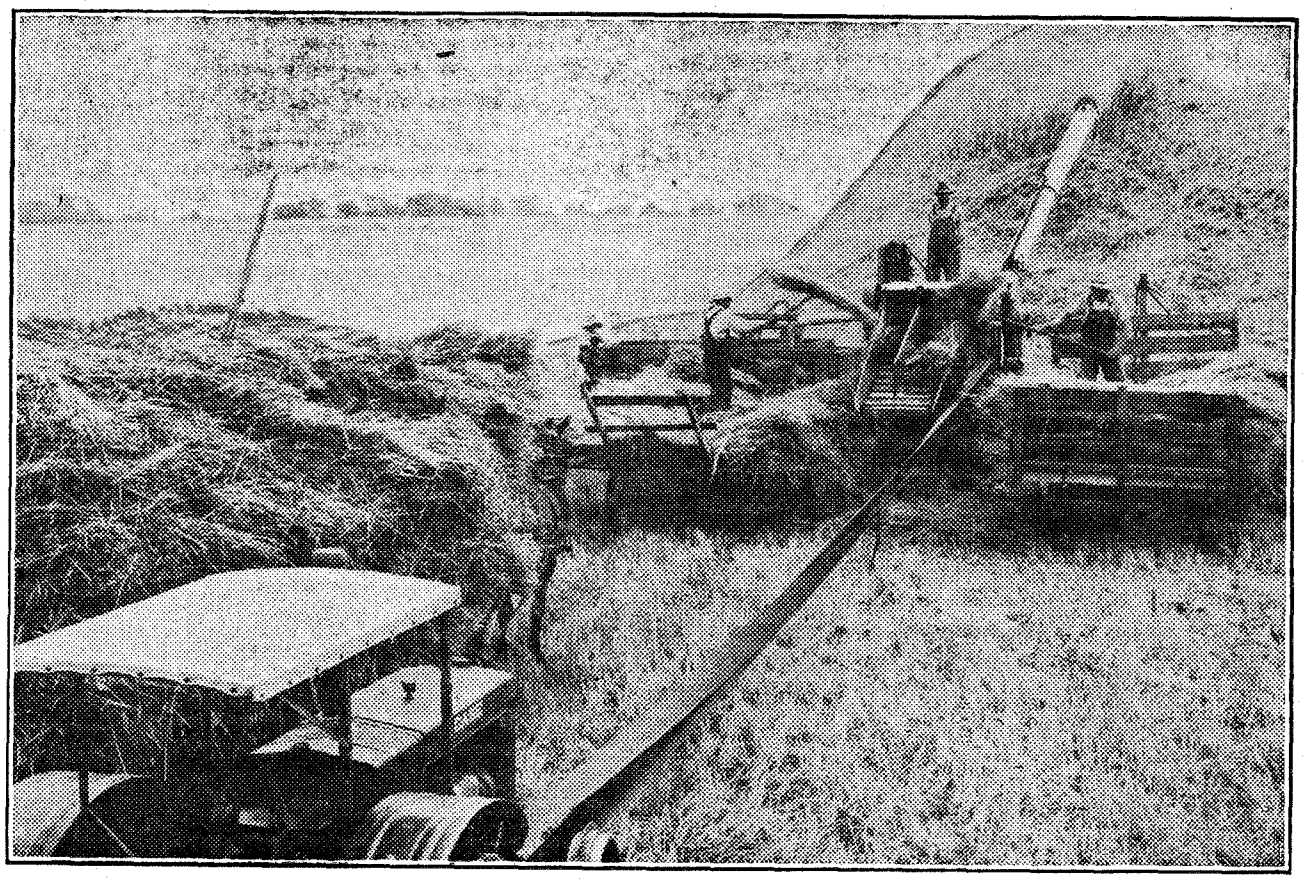
For example, John Brown, obliged to reduce his corn producing acreage, could not divert this land for dairying. The amendment, designed to protect the dairy farmers, goes further in restricting production than the farm bill itself. The bill forbids competitive production of tobacco, wheat, corn, rice and cotton. The amendment, in its original form even prevented farmers from furnishing adjacent urban communities with an increased supply of milk, meat, eggs and other such agricultural products. It compelled the consumers in cities, towns, and villages to pass right by local "diverted acreage" lying idle, and go thousands of miles, to purchase butter, eggs, cheese and meat, and enjoy the increased abundant life that has been promised as a result of this legislation. The conferees accepted an amendment to this amendment which permits farmers to raise a "few cows."

ACCORDING to the first amendment, if a pig or a milk cow or a steer were to eat some soil conservation crops on the diverted acres, not only could the farmer not market the pig, the milk, or the steer, but he could not give them away as a gift. Furthermore, he would violate the specific letter of the law if he served them to any person other than a member of his household, a worker on the farm, or to an animal on the farm which would not be sold or served other than to the household.

The whole bill is the same old attempt to plan scarcity — to bring about an equality between money and commodities by reducing the amount of the commodities rather than increasing the amount of money needed to pay for them.

There will be farmers actually voting for this control or curtailment, despite the fact that the bill is not nearly as sound economically as its penalty provisions are specific.

Yet the only possible reason that they will actually vote for the abolition of our present system of farming, is that they want help so badly that they will do anything —even to signing on the dotted line.



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They Own All

While United States Senator Harry Truman of Missouri was attacking the practices of railroad holding companies, one day during the last special session of Congress, there was an interruption from the floor.

Senator Henrik Shipstead of Minnesota arose and inquired: "Can the Senator give us an idea as to how many of the railroads of the country are controlled by one of the two banking houses, Kuhn, Loeb and Co., or Morgan and Co.?"

"All of them," replied the Senator from Missouri.

"They are practically all controlled by them?" gasped the questioner.

"Kuhn, Loeb and Co. and Morgan and Co. are the backers of practically all the railroads of the United States," Senator Truman repeated with finality.

THE railroad industry, once the proudest of American public utilities, is in the throes of another of its periodic collapses and loud groans and lamentations are heard from all sides.

Fiscal infirmities weigh heavily upon virtually all of the roads, big and little, and their ticker tape temperature in the stock market is sinking at an alarming rate.

Meanwhile, the witch doctors of Wall Street are looking in the general direction of Washington while they chant "consolidation"—a cue which they know the government has never been loathe to take in the past. Consolidation and more consolidation has been the "interne-ish" course of the Interstate Commerce Commission whenever the railroads are in difficulty, as if that were the proper prescription for the patient.

Integration Is Not the Answer

It is not, and the Interstate Commerce Commission must know it is not from trial and error experience. But it is the easiest course and, besides, conforms to the policy which the banking houses of Morgan and Kuhn-Loeb, controllers of practically all the railroads, want the government to follow.

The merger medicine was tried by the Interstate Commerce Commission in 1929 and again in 1933, and all it succeeded in doing was to further concentrate ownership and enrich the profits of receivership racketeers.

The sorry condition of the railroads is the same as that of any other industry on which monopoly-bent bankers have laid hands. Its bloodstream is infiltrated with holding company hemlock.

No longer is the railroad owned by an operating company, to be maintained as a de facto public service at a fair profit for the investors. Instead, it is in the control of banks, and dedicated to the objective of making profits through stock manipulations.

All the roads are hopelessly entangled in a bramble of holding companies, formed for the one and only purpose of milking stockholders. In other words, the industry has been transformed from a utility to serve the public into a device to rob the public.

Railroads Helped America to Grow

The transformation is sad to contemplate, for the railroad played an outstanding role in the upbuilding and consolidation of our country. Its glory, however, lies in the past, in that pioneer day when Buffalo Bill was liquidating Indians on the plains of the west.

The railroad's contribution to American life at that time is measured in the swath of civilization it blazed across the continent, in the breaking of new frontiers and the spreading of old ones, in the bands of steel with which it tapered together the trade centers of a growing nation.

Then, as now, the railroad had its innings with banditry, only the James brothers and the Daltons of that day have been replaced by highwaymen who carry on their depredations by remote control. These modern bandits do not attack openly from without, as did the train robbers of Jesse James' day—they bore insidiously from within.

They are holding company bankers who purposely bankrupt railroad companies in order to gain absolute control of the stock and reap the lush fees that accrue from receivership.

Railroad Receiver Lawyers Gouge Public With Impunity

Railroad receivership is one of the biggest rackets of our day. Beside it the crimes of Al Capone were peccadilloes. Yet Capone languishes in durance at Alcatraz, while these receivership racketeers are ensconced in swanky offices, free as the wind from government interference.

They are exposed from time to time by courageous members of Congress, yet nothing happens. Investigations come and go, but the hidden directors of holding companies continue to carry on their profitable business of plunging railroads into bankruptcy, extorting higher rate concessions from the government, and generally gouging small stock holders and the public.

How they get away with it, in view of the sensational charges made by congressional committees, how they manage to operate beyond the pale of legal restrictions that governs the behavior of the average citizen—that is a secret never vouchsafed to the people. We know, of course, that there is connivance behind the scenes of government. But the guilty principals are never brought to account.

One thing is certain—congressional investigations into the activities of J. P. Morgan and his kind never go any further than Morgan wants them to go. The Nye munitions investigation into Morgan's World War operations is a case in point. The inquiry was halted almost at its inception. Morgan said "That's enough" to the right people and the Roosevelt administration bent a submissive knee.

Holding companies controlled by Morgan or Kuhn-Loeb buy the controlling stock in a railroad, deliberately divert or misuse assets needed for operating expenses, thus raiding the treasury and giving them an opportunity to demand excessive increases in service rates. If the increase is refused by the Interstate Commerce Commission, and it usually is, receivership is promptly resorted to.

Senator Harry Truman of Missouri recently declared that one railroad—the St. Paul—"got three receivers, two at $4,000 a month and one at $75,000 per year, and each of the three received $100,000 bonus at the end of the receivership—$300,000 of 'bonus' money, plus bonuses to a great many others on the receivership staff." The receivers were Kuhn-Loeb agents. The entire cost of this one receivership amounted to $6,954,859.18 (not including salaries and expenses), of which $998,022.65 went to the staff and counsel, Truman said.

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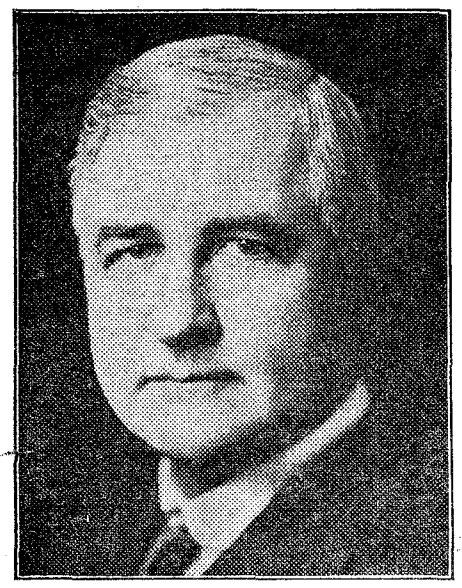
Poor Collector



—*Wide World*

Jesse Jones

Senator Calls Rail Industry A Racket

Railroads, under the ownership of bank holding companies, are not operated primarily as a public utility—but as "a racket to milk stockholders and bondholders."

Thus, in a speech from the floor, did United States Senator Henrik Shipstead of Minnesota recently describe the woeful mess in which the railroads of the country have been foundering for years. Emphasizing the role which holding company bankers play after they have plunged railroads into receivership, Senator Shipstead declared:

"The records in these receiverships show that they (bankers) have gone into the courts, and the courts obey their will; receivers are appointed by the courts or selected by these banking houses, and the general transactions, so far as receiverships are concerned, show that the railroads are not run primarily for the public business, but as a racket to milk the pockets of stockholders and bondholders."

The senator charged bank owners with deliberately bankrupting railroads in order to provide fat receivership fees for their lawyers and otherwise profit from the transaction.

Carnegie Partner Told of Method

He said that a partner of Andrew Carnegie had once remarked to him:

"We made our money with Andrew Carnegie. When we sold our plant to the Morgans it had a book value of $80,000,000, and because they had to have control of the steel companies to organize the United States Steel Corporation and to control prices, they paid us $400,000,000 for our property.

"We sold steel to the railroads at $20 a ton, and immediately when they formed the Steel Corporation they raised it to $28 and held it there until 1915, and during the war raised it to $54."

To the question, "What is wrong with the railroads", Senator Shipstead quoted the Carnegie partner as answering:

"There is more than one thing the matter with the railroads. These banking houses control the industries that sell material to the railroads, and while the Interstate Commerce Commission passes on a loan, they have no authority to say how much the roads shall pay for locomotives, or for cars, or for electrical equipment."

Calls It Racket

—*Wide World*

Senator Shipstead

Bankers Empty Rail Treasuries

The senator said that price manipulation has created a situation in which, by controlling both the sales and purchase of equipment, the banks deliberately empty the treasury of the railroads.

"They sell to the railroads which they control, and the more they charge the railroads the less there is in the railroad treasury, and the more they cry for higher rates," he declared.

If approval for higher rates is not forthcoming from the Interstate Commerce Commission, receivership follows with resultant loss to individual stockholders.

Morgan Rail Loans Represent Large Part of R. F. C. Defaults

Chairman Jesse H. Jones' announcement that the Reconstruction Finance Corporation soon would ask Congress for authority to "write off" of its books loans amounting to $2,677,741,000 drew a stormy protest from those citizens who do not believe that money grows on trees.

Moreover, many were of the opinion that there was a joker in the deck Mr. Jones was shuffling, to wit: an attempt to pave the way for other "write offs" including a large sum of money which Wall Street-controlled railroads owe to the government.

A considerable percentage of defaulted loans made by the Reconstruction Finance Corporation represents uncollected debts of railroads and their holding companies.

Knowledge that the railroads in question belonged to the House of Morgan, and a suspicion that R. F. C. fathers were getting ready to "bail out" Morgan once other debtors were taken care of, were the sparks that ignited public indignation.

R.F.C. Rescues Morgan Railroad

There was method in this fear for the Jones lending agency would not be acting without precedent if such was its unannounced intention. Readers of **SOCIAL JUSTICE** may remember the row created in 1932 when the Missouri Pacific railroad applied to the R. F. C. for a loan of $11,710,000, to be used for bailing out defaulted M. P. bonds held by J. P. Morgan and Company and the Morgan associates known as Kuhn, Loeb and Company and the Guaranty Trust Company of New York.

Had it not been for the honesty of certain members of the Interstate Commerce Commission, the government loan (gift would be more apt) would have been approved and the public would have been none the wiser. As it was, a compromise was reached whereby the American taxpayers were compelled to repay one-half (5,855,000) of the debt which the Missouri Pacific owed to Morgan.

Missouri Pacific Still Owes All

This is by no means all the government money received by the House of Morgan through R. F. C. loans to the Missouri Pacific, which it owns. Altogether the railroad has borrowed $23,134,800 (see table on this page) of the taxpayers' money—**and not one cent of it has been repaid!**

Thanks to the receivership racket of holding companies, there is no apparent likelihood that this well-looted, international - bank - controlled railroad will be placed on a solvent basis in this generation, if ever.

R. F. C. Railroad Loans

Following is a partial list of railroads which have borrowed money from the Reconstruction Finance Corp., the amounts borrowed and repaid.

Railroad Borrower	Amount Loaned	Amount Repaid	Amount Due
Alton R. R. Co.	$ 2,500,000	$ 605,367	$ 1,894,633
Baltimore and Ohio	87,110,400	12,150,477	74,959,923
Boston and Maine	7,569,437	.....	7,569,437
Central of Georgia	3,124,319	220,692	2,903,627
Chicago and E. Ill.	5,916,500	155,632	5,760,868
Chicago and Northwestern	46,588,133	4,388,000	42,250,133
Milwaukee Road	11,500,000	538	11,499,462
Chicago, Great Western	1,289,000	838	1,288,162
Chicago, N. Shore	1,150,000	.....	1,150,000
Chicago, Rock Is and Pac.	13,718,000	.....	13,718,000
Colorado and Southern	28,925,300	1,481,000	27,444,300
Denver and Rio Grande	8,081,000	500,000	7,581,000
Denver, Salt Lake West.	3,182,150	71,300	3,110,850
Erie R. R. Co.	16,582,000	582,000	16,000,000
Ft. Worth and Denv. City	8,176,000	.....	8,176,000
Illinois Central	35,290,000	100,000	35,190,000
Minn., St. Paul and Sault Ste. Marie	6,843,082	656,368	6,186,714
Missouri Pacific	23,134,800	.....	23,134,800
Pittsburgh and W. Va.	4,475,207	750,000	3,725,207
Southern Ry. Co.	19,610,000	2,257,460	17,352,540
Tennessee Central	5,147,700	147,700	5,000,000
Wabash Ry. Co.	15,731,583	.....	15,731,583
Western Pacific	4,366,000	1,403,000	2,963,000
Totals	$360,010,611	$25,420,372	$334,590,239

Millions in Rail Loans Unpaid, Record Shows

The Reconstruction Finance Corporation, a federal lending agency headed by Jesse Jones, has extended $537,126,239 to the railroads, of which $181,193,749 has been repaid, **SOCIAL JUSTICE** is informed by its Washington bureau.

This doesn't make Mr. Jones look like the hard-boiled, "never miss" collector his efficient press agent reputes him to be. The story that "business has fallen off" doesn't hold water, because every railroad is in the same boat in that respect, and some of them have repaid their R. F. C. loans dollar for dollar.

The roads which have paid off their collections to the American taxpayer in full include: Aberdeen and Rockfish; Ashley, Drew and Northern; Birmingham and Southeastern; Jersey Central; Cincinnati Union Terminal; Copper Range; Great Northern; Green County; Gulf, Mobile and Northern; Lehigh Valley; Litchfield & Madison; Maine Central; Katy; Mobile & Ohio; New York Central; New York, Chicago & St. Louis; Pennsylvania; Pere Marquette; Puget Sound & Cascade; St. Louis-Southwestern; Sand Springs; Southern Pacific; Sumpter Valley; Texas & Pacific; Texas-Southeastern; Tuckerton; and Wrightsville & Tenille.

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Industry Has Room for Men Who Can Take Responsibility

Shop Inspector Offers A Next Step for Ambitious Mechanic

By Prof. Horace A. Frommelt

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WE have been discussing during the past weeks the various major trades that make up mechanical manufacturing such as machinist, molder, melter, patternmaker, draftsman, tool and die maker, power plant engineer and many more as constitute an organization that operates a machine shop, patternshop, foundry and similar departments.

The young learner or apprentice goes through a kind of vestibule of training over a period of some years and comes out, as it were, on the mechanic level. He is a craftsman in one of almost two dozen basic trades, crafts, and even semi-professions.

For the young man with ambition, character and personality, it is not necessary that he remain even on this relatively high level. He can push on upward, and after proper seasoning and ripening, he will come out on a still higher level in this same division of industry where a new and better position awaits him. It should be welcome information to you young people that American industry still holds these better jobs open for the skilled mechanic or craftsman who has the other necessary qualifications.

Shop Inspector Is Graduate Mechanic

One of these jobs on a level just a little higher than that of the mechanic is the inspector. With very few exceptions, he is taken from the ranks of the skilled mechanics. This is natural, because he must continue using that skill in this task of inspecting the work of others.

The inspector is a kind of foreman; he supervises the quality, the kind of workmanship, that the shop is producing. Sometimes he is even placed outside the jurisdiction of the foreman who is always interested in quantity or the results of the work of the men in his department. He is then made responsible to some higher official who is interested not only in quantity but quality of product as well. Whatever the arrangement, the inspector is a graduate mechanic, a kind of foreman, a supervisor or "boss" over the kind of workmanship in his shop.

It is rather simple, I think, to write down the qualifications of the man who is to make a good inspector. He must, above everything else, be a man of tact and patience. It is no pleasant duty to inform a harassed foreman that work is unsatisfactory, or that some of the product of his department must be rejected.

The Shop Inspector is a "graduate mechanic" with the courage to stand by his honest convictions. He is a sort of supervisor or "boss" over the quality of workmanship in his plant. Photograph by Ewing Galloway.

A man of firm character, one who cannot be bribed or bullied, one who has the courage to stand by his honest thoughts, is necessary for this job. As a matter of fact, this characteristic will be more and more prominent the higher we go in industry. You can't be a "wishy-washy" for a job of this kind; you can't be a moral coward and once you convince yourself of the facts of a situation by close observation, clear thinking and a steady, firm purpose, you stand by these convictions without fear of consequences or thought of favor.

Must Back Up His Decisions

The inspector must, of course, distinguish himself first of all as a first class mechanic in his chosen trade. Seldom, therefore, that an apprenticeship did not prepare him for his future work. Second, as indicated, he must have a pleasing and agreeable personality and, third, he must have a firm, well-set character that acts on conviction. In addition, he must be mentally alert, a keen and quick observer, patient and painstaking in getting at facts and ferreting out mistakes and difficulties.

Keep this job of the inspector in the mechanical manufacturing industries in mind not only when you are choosing your trade, but all during your apprenticeship and mechanic years. There are other such jobs that await the skilled worker who has the other necessary qualifications, but that of the inspector is worth our thought and consideration during this conference.

Christians Cannot View Labor as a "Commodity"

WHAT is the meaning of the statement one hears so often these days that "Labor is is a commodity"? According to this idea both the workingman and his work are traded, bought and sold, in the industrial world just like any other commodity, such as steel, timber, sand or any of the thousands of raw materials that are needed to keep the industrial machine satisfied.

If this is true, then labor today is bought at the lowest price and sold at the highest, it is subject, like any other material goods, to the law of supply and demand. If "labor is a commodity" then, like the supplies in the storeroom, the goods on the shelf of the distributor and the stocks in the warehouse, it is reduced and sold out when prices fall, and it is stocked up when prices are rising. In other words, when, and as soon as, business threatens to slow up, the number of workers is immediately reduced, just like the goods on the shelf. In the face of reduced profits, the workers are "laid off"; the stock of this commodity, called labor, is quickly shrunk so that costs will be cut and profits spared.

Everyone recognizes at once that this is a faithful picture of industry. There are exceptions, as we might expect, and fortunately their number grows. But by and large we recognize that this is the notion—the philosophy, if you will let me use this word—of business as it is conducted.

For those of us who acknowledge the existence of the moral world, the worker can never be a "commodity." In a world that would not rule God out of its everyday life—in short, in a Christian world—"prosperity" would not be measured in terms of a bullish stock market, industrial profits, business dividends, car loadings, kilowatt consumption and steel production but in terms of welfare of human beings, and the progress they were making towards that sublime destiny for which they were created.

In such a society, class warfare between Labor and Capital would be looked upon as worse than a civil war, as a conflict between brothers of the same family. The employer's first thought when "bad times" threatened would not be cutting his force to the bone and labor's sole thought, in "good times," would not be centered on "how much can we get while the getting is good."

Let us not brush this talk about the moral world aside because it is seemingly far-fetched and abstract. It may be more difficult to "take hold of" than a conference on wages, hours, or organization, but it is vastly more important. In fact, all our concern about pay, and hours of labor and working conditions will bring us exactly zero until this industrial world comes back to the great fundamental fact of a moral world and man's relation to it.

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New Deal Weighs Annual Wage

Lawyers Charge Soviet Endangers Labor Movement

C. I. O. Reds Bent on Destruction Says N. Y. Bar Report

NEW YORK, N. Y. — Communistic forces of discontent endanger the American labor movement today and are an imminent threat to the American form of government. This was the message delivered to the New York State Bar association by a special investigation committee.

The committee's report, which unmistakably directed its fire at the Committee for Industrial Organization, bore out charges made by David Dubinsky, president of the Ladies' Garment Workers' union, that Communists already control parts of the C. I. O.

"The labor movement in the United States, which has done much to improve the conditions of the American workers, is now being threatened by the infiltration into labor's ranks of communistic forces of discontent," the committee's report stated.

"These forces bend their efforts, not to ameliorate the conditions of the American worker within the framework of our institutions, but to destroy our American system by creating dissatisfaction, discontent, and disillusionment. These destructive forces see in the labor movement only a means by which they may accomplish their revolutionary ends."

In this observation the committee bore out the testimony of reliable labor authorities who have charged that the communistic espousal of the C. I. O. was ordered from Moscow, and that the alien reds intend eventually to gain complete control of the C. I. O.'s 3,000,000 members. The report dwelt at length on the methods used by leftists who "bore from within," and pointed out the danger of their subversive propaganda, their destructionist organizations cloaked under deceptive titles, and their efforts to win youth to their cause.

Editorial opinion which followed publication of the committee's report was agreed that the danger is real. It called attention to Dubinsky's assertion that the reds govern parts of the C. I. O.; Homer Martin's fight against the "unity" communistic faction in the United Auto Workers union, and the anarchy rampant in the maritime field, where Harry Bridges follows the Communist "party line."

Labor Headlines

HARRISON, N. J.—C. I. O. calls sitdown strike in Crucible Steel Co. of America plant. . . . 1,000 men affected as Steel Workers' Organizing committee seizes property. . . . Management charges 75 per cent of employes "wished to continue work," but were prevented by strike leaders. . . . Staggered shifts given as cause of seizure.

WASHINGTON, D. C. — Labor's Non-Partisan League, C. I. O. vote machine, presses for action on wage-hour bill. . . . House labor committee asked to report "some kind of a bill" this session. . . . All measures proposed to date ridiculously inadequate, according to seasoned observers.

PORTLAND, ORE. — Portland's three newspapers resume publication as arbitration ends printers' strike. . . . Typographical union members return to work with 45-cent daily wage raise. . . . City without newspapers during week-long strike.

WASHINGTON, D. C.—Secretary of Labor Frances Perkins reports 520,000 men lost factory jobs from mid-November to mid-December. . . Payrolls declined more than $17,600,000 during same period. . . . Decline largest for winter period since 1920.

Sees Cure For Slump in Stable Pay

Steel, Auto Industries Agree to Need; Triumph for Social Justice Fight

Leaders of government and industry, frightened badly by the deepening gulf of the Roosevelt depression, are turning to a consideration of an annual wage for labor.

An "annual wage" (with a stable dollar) they have come to realize, would stabilize mass purchasing power over a 12-month period; would slash from the federal budget tremendous sums for direct relief, work relief and farm relief, and would end the haunting specter of layoffs—dread of every industrial worker.

First favorable talk of the annual wage emanated from the national Capitol's legislative halls in December when President Roosevelt conferred with building leaders on the possibility of a set, yearly income to settle the contest over hourly wage rates practiced by building trades' unions.

Fair Employers Fare Best

Next, as the recession broadened, industrial leaders found that the enterprises faring best under present conditions were those with stabilized, yearly wage systems. **This prompted consideration of the annual wage by mass production manufacturers, among them Henry Ford, pioneer auto builder, and others in automotive manufacturing.**

Most recently, the president is understood to have conferred with noted automobile industrialists on the annual wage. Steel manufacturers have assented to its desirability, **and officials high in the administration have endorsed the plan wholeheartedly.**

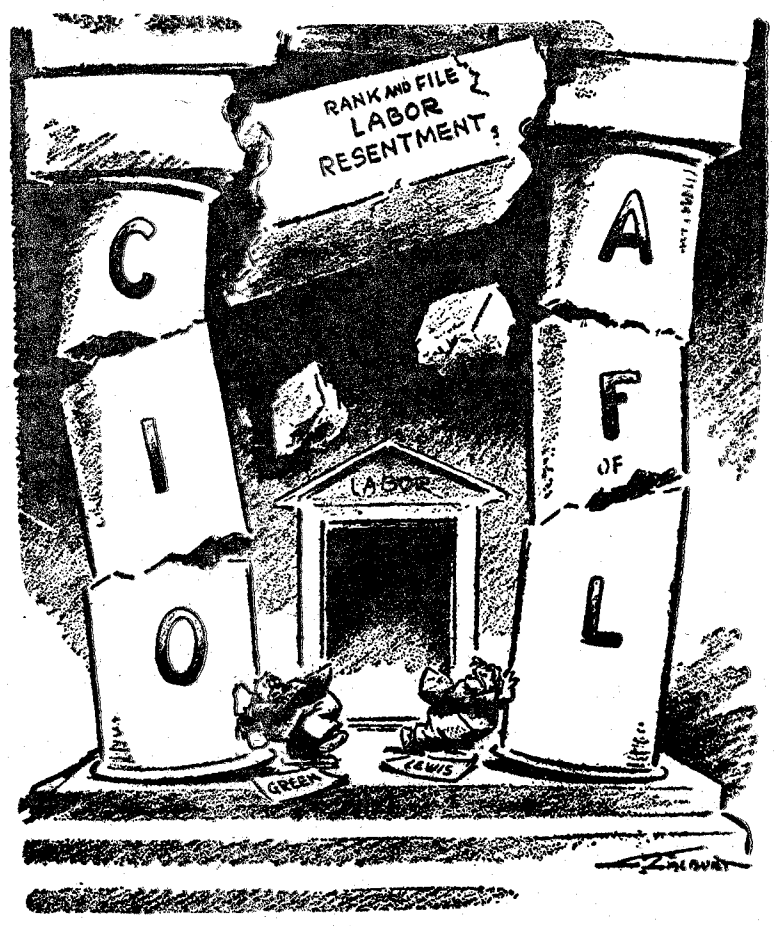
High Hourly Wages Miss Mark

High, hourly wage rates, the fallacious goal of labor union leaders, have been proven ineffective. Layoffs stop wage payments, stifle purchasing power and halt commerce. Tom M. Girdler, chairman of the Republic Steel corporation, pointed to the hourly wage fallacy in a recent New York address as he went on record endorsing the annual wage.

"High hourly wages are meaningless unless there is work to do," he said.

SOCIAL JUSTICE has pioneered in pleading for a living annual wage for workers. It has shown that industrial and agricultural production are governed by the ability of the individual to purchase, and that **with purchasing power on a stabilized level, governmental attempts to regulate production would be unnecessary.**

Toppling Labor's Temple



"Lewis and Green—Twin Samsons"
—Talburt in the Pittsburgh Press

Toledo Employer Preaches Ideal Of Co-operation Between Classes

"Old Fashioned" Manufacturer Pays High Wages; Keeps "Personal Touch"

TOLEDO, OHIO—Class co-operation—one synonym for Social Justice—will solve the problems of capital and labor, in the opinion of Percy C. Jones, president of the S. M. Jones Co., manufacturers of specialized steel products.

Mr. Jones abides by the "old fashioned" idea of a personal relationship between employer and employe. He knows each of his workmen by name, works side-by-side with them when he is not on the road selling his product, and abhors the autocratic "front office" conception of management.

In the 45 years of the company's history there has never been a strike or any form of labor trouble. The workers are paid the highest wages the industry will bear. Jones has pledged his employes that funds saved by elimination of waste in materials and operation will be returned to the workers in the form of wage increases.

Invites Confidence of Workers

At Christmas time Mr. Jones distributed bonuses to his workers and restated the company's ideal of co-operation. "I do not want to see the day when any man in this plant is afraid of me," he said. "I do not want to see the day when you cannot come to me individually or in groups, by a committee, or any way you please."

"We are all working together for the same purpose, that is to turn steel into rods and to sell the rods for money to pay for your labor and steel."

Mr. Jones outlined his program of co-operation, based on faith between men and management and between departments. "If we have troubles, let us get together and talk them out, and settle them as men should," he said. "Let us have the full and hearty co-operation that will insure steady employment and stability for all of us."

Workers Choose Own Union

The Jones employes are organized into a union of their own choice and have a contract agreement with the company. Mr. Jones says there need be no mystery about collective bargaining, either in its operation or objective. "All you need is horse sense," he tells his men.

"My father (founder of the company) was known as 'Golden Rule' Jones," the company president said. "He was first called that in derision by people who thought he was crazy when he tried to do the decent thing by his employes.

"I shall be very happy if I can ever get to be as well thought of as my father was. I want the spirit that moved him to move me and you. If you do for me what you would have me do for you, we shall be happy and contented. We shall be just as well paid as the business will stand."

Share Profits; Ease Taxes

WASHINGTON, D.C.—"The bitterness between capital and labor arises from a feeling on the part of labor that it is not getting its just share of the rewards from the production of wealth."

With this thought foremost Frank Gannett, Rochester, N. Y., publisher, proposed to the House Ways and Means committee recently that special tax exemptions be granted corporations which share their profits with their workers.

"If employes were given wage dividends," he said, "there would be better co-operation between capital and labor; purchasing power would rise, and employment would expand."

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The People Speak . . . .

Want to Aid Broadcast But No "Other Purposes"

To the Editor:

I am not writing to cause harm, but there are a few things on our minds, that we would like to have made clear. When we contribute our dollars here in certain affairs, such as picnics, mass meetings, etc., and we find out that the money we think is going to Father Coughlin is used for other purposes, it is bound to make some people angry.

Thank you for the acknowledgement of the $800.13 for broadcasting use that we all worked so hard for at Iglair Park last September.

When at Carmen's hall, it was asked on the platform if we wanted a broadcast, we all agreed to contribute toward that cause. I understand that Father Coughlin only received $200 out of $1,200. In other words, $1,000 was used for other purposes and it is supposed to be none of our business, how our dollars are being used, and for what.

My husband and I have been on the roll of the Radio League of the Little Flower ever since Father Coughlin came on the air. It is these true friends who work and fight for Father Coughlin and his noble work for us poor people.

I have seen the way money, handled in units, that Father Coughlin should have had, is misused. You know, people become discouraged when they know what is going on and that is why a lot of my friends are going to contribute directly to Father Coughlin to help him on the air, and keep out of councils.

We can listen to him and read **SOCIAL JUSTICE**. People do not like the idea of a state office, as they cannot support it. Our interest is in Father Coughlin and the broadcast, and to keep him on the air. We learn more from him in one Sunday, than we would in six months at the council meetings. I am going to work for a few more subscribers to **SOCIAL JUSTICE** as I would like to see the paper come up to a million subscribers.

—**Mrs. Hulda Kelly**

Chicago, Ill.

No Money Means A Depression

To the Editor:

As a Protestant, I have the highest regard for Father Coughlin as America's greatest economist. As a business man, it has been my job to watch carefully our current events and national affairs.

I have watched with keen interest the writings and articles of noted economists and the teachings of Father Coughlin for many years, and none have been as educational to me as has Father Coughlin.

For those who do not know it, we are in a real depression, and if it were not for the P. W. A., C. W. A. and many more triple A's, B's, and C's, millions more would be on the street selling apples.

This is a depression in a depression. **The whole country was informed of these conditions early last spring by Father Coughlin in his final broadcast.** Now we have it, and no one to blame but ourselves. If you think for one minute that big business or whoever it may be, will rehire the 8,000,000 that are out of work just because the president addressed Congress, you have another guess coming. Nothing will improve our present condition other than financial reform. Our great problem is nothing else than a money problem. **We have no purchasing power.**

—**Harry E. Kappenberg**

Port Washington, L. I., N. Y.

Readers Cannot Support Both With Consistency

To the Editor:

Miss Mildred L. Carter writes that she backs both Father Coughlin and President Roosevelt.

How can one support both when these men disagree in their teachings of social justice? Roosevelt is like a preacher who tells his listeners to believe what he says, and not what he does, while Father Coughlin practices what he preaches.

Miss Carter is sorry because the president has such a heavy load to carry. Well, who gave it to him? He dominated a week-kneed Congress until they gave him power which no man should have. The president alone is to blame, if he falls under his heavy load.

I sincerely believe, that a real man, be he a president or a plain laborer, should defend himself and deny any charges thrown at him if they are false.

Pawtucket, R. I. —**V. C.**

Christian in the C.I.O. Presents "Other" Side

To the Editor:

Walter L. Governs states that he does not see how a good Catholic can support the C. I. O.

I was a W. P. A. worker. I worked in mud up over my shoe tops. I did not care for this kind of work, as I had always worked in the machine shops. One day a friend told me that they were going to put men on over at the shops. I went to the shops and I was given a job.

I worked for a few hours when I was told that the shop was a "closed shop" in the C. I. O., and they would give me 30 days to become a member or get out. Here I was with a family at home looking to me to bring in the food and other necessities of life.

You may say, well, when you learned that you had to join the C. I. O., why did you stay there? Jobs are few and real hard to get in this city and when I quit my W. P. A. job to take the job in the shops, I, or very few, can get back on again.

I am a good Catholic, and I love the ground that Father Coughlin walks on. I have always been with him and I for one, will always be with him. I do not like the C. I. O., any more than you do, but how many a man or woman has to join it or go without a job?

Mr. Governs, let me tell you something that is true. If Mr. John L. Lewis and his C. I. O. were to drop all of the members who were forced into the union, who do not care for it any more than you and I, tell me how much of a union do you think he would have? I will tell you.

There just would not be enough to worry about.

When the Social Justice Council here gave a birthday party last fall, there were quite a few from our plant who went. In this big C. I. O. plant, there were notices all over about Father Coughlin's party.

So you see Mr. Governs, sometimes we cannot help ourselves. I like a good union as much as anyone, but I do not like belonging to a communistic one.

Please tell us good Christians what you would do under this set-up? There are not enough of us in the shop to change it. There may be more, but we have to keep our mouths closed for fear of getting ourselves in trouble.

—**L. C.**

Columbus, Ohio

Condemns Use Of 'Illegal' Power

To the Editor:

Why do we not use some of our energy to fight against the illegal use of the tariff power by the State Department? We have been reading about the right of Congress "to coin money and regulate the value thereof, and of foreign coin," and the right of Congress to exercise the tariff power.

We were told about the tariff treaty with Great Britain by Cordell Hull. If Congress has the power over this tariff, why does not some one financially able take the case before the Supreme Court on the grounds that it is delegated power and therefore unconstitutional, and ask the court to declare all tariff trade treaties with foreign powers contracted by Secretary Hull, null and void?

Surely there must be small manufacturers with enough capital to finance this fight before the United States Supreme Court, especially when it has been a proven failure for little business and labor.

A big banker, former head of the Bank of International Settlements, asked the president to have Congress delegate this power to the State Department, and the secret gold stabilization fund to the treasury department.

I certainly never voted on an amendment to give the tariff power to the state department, and I do not think that anyone else has. So Mr. Little Businessman and Mr. Laboring Man, protect your factory and your job from cheaply made goods coming into this country and forcing you out of business. This year is your last to make a last stand against the exploiters of little business, who plan to bankrupt you. You have the law of the land on your side, there is no question about your winning the tariff fight.

—**Lawrence Stahl**

Dayton, Ky.

To the Editor:

In a recent letter, Mildred L. Carter commends President Roosevelt for the great and wonderful help he has given to the needy. We wonder if it has occurred to Miss Carter that it is really you and I who are giving all this help, more so, in fact than the president. **It is our money, our taxes, which have been used in all this wonderful "spending."** And we certainly have a perfect right to object to the wasting of a great amount of our hard-earned money on political patronage and the beneficiaries of bureaucracy.

To deny this is the equivalent of saying: "Give me 25 per cent of your money. I will spend it for you," and after the money has been spent: "Who are you to criticize the great things I have been doing? What have you ever done for humanity, that you should find fault with my wonderful ideas?"

If that is irritating, how much more so is the comment from the third party—the recipient of your money, who says: "Don't you say a thing against this man. He has done wonderful things for me, and you have never done anything but criticize."

I know that Miss Carter and many who agree with her are very sincere in their praise of our president. I believe that his manner and speech have done much to create this public confidence. His policies, I cannot bring myself to applaud.

But let them not think too badly of us "critics" who after all, have some small right to protest at extravagances **as long as we continue to foot the bill.**

—**T. J. McBride.**

New York, N. Y.

Propaganda Needs Counter-Action

To the Editor:

The article written by James Fitzgerald in the issue of SOCIAL JUSTICE for January 17 is quite correct. But Mr. Fitzgerald did not make it strong enough.

It has been going on for century after century, and let me remind you that Andrew Jackson is not president.

In the political speeches made by President Roosevelt before the election of November, 1932, Mr. Roosevelt promised "to oust the money-changers." Did he do it? No! Why not?

His actions speak louder than his words. Such are the promises of all professional politicians. They are very much like international treaties, made to be deposited in the waste basket.

Mr. B. C. Forbes sends forth propaganda to suit his own purpose, and evidently is not interested in the welfare of the citizens of the United States any more than the Federal Reserve Bank (a private corporation) is interested in anything but is own profits, which is natural.

But how, in the name of common sense, can the Federal Reserve Bank lend billions of dollars to our government when it has only a few million dollars in its vaults? To be convinced, let any citizen read the articles written by Mr. Robert H. Hemphill, which have never been contradicted. The money changers' propaganda is all intrigue and humbug.

—**Wm. Montague O'Neill.**

Neptune, N. J.

Perhaps Foreigners Can Teach Us

To the Editor:

Upon reading the letter printed in SOCIAL JUSTICE for January 24, signed "An American," it is evident that the writer has very little knowledge of the number of Americans employed in Europe. To some extent, he or she may be right, concerning Italy or Spain.

I have lived in different parts of Europe for over 20 years. **In England 30 per cent of the photographic companies are American, 25 per cent of the dentists are American.** Consider various other channels in which they are employed. We Americans are not looked on abroad as "foreigners."

In regard to our teachers it would be far better if we had a little more of the English kind of teaching in our schools. In English schools, for the first hour, the children are instructed in religion. They are also instructed in morals, and principles, which are the bulwark of good citizenship. I have often stopped outside a little country school and listened to the little children singing their morning hymn, and as I stood by the wayside to look at the neat cottages surrounded by old-fashioned flowers, I sometimes wondered if these schools did not excel some of our universities.

Then, these little children are never permitted to forget two words, "thank you" and "please."

I sincerely believe that if we had a little more of the English teaching in our country we would have better citizens. We are told that we have in this country nearly 200,000 people who during their lives will commit a murder, and one murder committed every two minutes and a robbery every half minute. Look at our disgracing divorced millions who bring themselves down lower than a beast. So let us be honest and do all we can to make better citizens.

—**Frederick J. Dennis.**

Villamont, Va.

All Very Nice, But Help the Owners

To the Editor:

I agree with Mildred L. Carter who says she supports both Father Coughlin and President Roosevelt. Miss Carter is right. President Roosevelt has done much for the needy. But, what about the taxpayers?

Many people who were unable to pay their taxes, have lost their homes. It is high time that all followers of social justice try to get their legion post to join them (as one post in Ohio did) and everyone swamp the president and our Congressmen with letters, asking, in the name of humanity, why they are not doing what they should in restoring the right to Congress to coin and regulate our money and stop borrowing from the Federal Reserve Banks, and at the same time demand that the Federal Reserve Bank restore to our Treasury the money they have wrongfully taken from us. There is nothing crooked about this plan. It is only justice.

—**T. H. Schror.**

Albion, N. Y.

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Reform Is Up to the Editor

To the Editor:

Senator Thomas says emphatically that without an okay from the White House, no money reform bill can get to first base. Congressman Lemke says in effect, the same thing.

The fault is ours—in fact, yours. If you were to instruct the readers of SOCIAL JUSTICE to write to their Congressmen and United States Senators demanding the passage of the Lemke money bill, H.R. 1659, this bill would reach **third base.** As individuals we count for naught. Collectively we are a power.

A few lines in the editorial column would work wonders. Congress would receive thousands of letters. The result would be magic.

President Roosevelt would listen to reason then. So, Mr. Editor, it is up to you.

—William Farrell.

New York, N. Y.

Don't Dress Up SOCIAL JUSTICE

To the Editor:

I hope sincerely that you will not dress up SOCIAL JUSTICE in new clothing. It was founded for the masses. Is it going to be transformed for the classes?

They pressed upon Him so much that He had to enter a boat to teach them. And they spent three days listening to Him, forgetting food. Why?

Because they understood His language and what He talked about.

—J. J. M.

New York, N. Y.

Letter to a Congressman

To the Editor:

The following is the letter I sent to Congressman Herman P. Kopplemann of Connecticut, and the answer which I received:

Hon. Herman P. Kopplemann

Dear Sir:

As a citizen of the United States I feel like asking you a favor. When you came into Suffield at the Democratic caucus, you promised the tobacco farmers that if they voted you to Congress, you would do everything in your power to protect them and see that they work at a profit.

You are in Washington and our tobacco sheds are full of tobacco buyers offering 12 cents a pound. What are you going to do? I ask you to do one thing, and that is to put the right of Congress to coin and value money on the table.

Yours truly,

—Richard B. White.

Suffield, Conn.

Answer:

Dear Mr. White:

Thank you very much for your recent letter. I am sorry you do not approve of the New Deal democratic way of doing things. You will remember that any promises I made to my constituents were based upon my belief in the soundness of the New Deal program and my confidence in its basic principles.

Sincerely yours,

—Herman P. Kopplemann.

Protestant Praises Courage

To the Editor:

I happen to be one of the non-Catholic followers of Father Coughlin who feel that his broadcasts, as well as his SOCIAL JUSTICE have been an influence for tremendous good in this country of ours.

No one could read Father Coughlin's platform; no one could know of his high purpose without admiring his spiritual and intellectual force and great courage.

God bless him and God bless His Excellency, Archbishop Mooney of Detroit, that he has been wise enough to understand Father Coughlin's purpose.

—Walter E. Botthof.

Chicago, Ill.

Only Suffering Brings Action

To the Editor:

On Saturday evening, January 15, over a nationwide broadcast, some of the leading movie stars made an appeal for help in the eradication of infantile paralysis, the cause sponsored by the president of the United States. This was very commendable.

At the same time, don't you think that if the president were forced, through no fault of his own, as some 10 millions of people have been, to lay on a cold floor, with nothing but an old overcoat for covering, and to rummage in garbage barrels for food, he would be advocating an honest money system and driving the money changers out of the temple?

—Edward Hoyland.

Clark Mills, N. Y.

Reader Comes to Defense of Paper's "Swaddling Clothes"

To the Editor:

Before deciding to write this letter, I spent two full days reviewing the ninety copies (yes 90 copies) of **SOCIAL JUSTICE** which I have filed, plus the latest editions of 1938.

Why did I save them—like I have other first class periodicals I take? Because I consider them an invaluable compendium of knowledge and history in the making, plus the teachings of the grace of God in every day living.

Of all my files, I prize them about the best of all. They remind me of the demonstration Charles M. Sheldon (author of "In His Steps") put on, about forty years ago, when he took over the Kansas City Star, for a fortnight or two ran it as he thought Jesus Christ would run a newspaper. And he proved it could be done, for a profit as well as a tremendous circulation. It caught a million subscribers with hardly any commercial effort.

The "Galilean simplicity" that SOCIAL JUSTICE has, since its birth, maintained so consistently these 22 months, is its most glorious, its highest, and most influential asset.

Its present subscribers still love its swaddling clothes, and the wisdom and grace born to wear them. Jesus Christ, during His short span of 33 years was not blessed even with pulp paper, "cheap" as it is now.

Let no voice declare as "a disgrace" one feature of **SOCIAL JUSTICE** as it now rolls off the press and comes to us like the bread of heaven; or that its publishers should **"be ashamed to offer it for sale."**

I resent the "boiled down" inference, that its "mother was a red Irish setter, and its father a water spaniel".

We the people do not want to see **SOCIAL JUSTICE** nor Father Coughlin go on the rocks, which is inevitable if a spending spree is inaugurated.

Father Coughlin has builded better than he knew. There never came into my house a better publication, on social, financial, Christian and economic progress the world over. I am just sick that it is going to be smeared with fiction of any quality, no matter how little: that it will, for the sake of diversion and entertainment, have a so-called household section, all of which can be had in the cheapest 25 cents a year magazine. Once you take this step, you will eventually have to change the title of your paper, and will find yourself catering to the 60 per cent of American readers who care only for the trivial, morbid, ribald and the sensual. Just for the sake of a million subscribers, will you destroy this noble structure?

From a letter of Father Coughlin's of April 6, 1937, is the following quotation: "The fact that you have subscribed for **SOCIAL JUUSTICE** and are a promoter for it makes me proud . . . we feel that you consider our work worth honoring with the little time at your disposal. This is a day when a person's reading time is at a premium. Because we are cognizant of this, the staff as well as myself will strive diligently to make our paper a sound interpretation of current news so that you may use its arguments in intelligent discussion with your friends."

As the paper now comes out I can digest every paragraph without sacrificing time and concentration. That is why in my mind, the sixteen pages of **SOCIAL JUSTICE** have reached about the pinnacle of perfection.

I want **SOCIAL JUSTICE** to come into my home, just as in the past; that it may never prove a boresome visitor, one which I cannot receive with open arms, but, I fear, that it will be, if it is too big to embrace.

—Miss Nellie Palmer

Tonica, Ill.

Finds Two Weeks A Better Interval

To the Editor:

Concerning the plan for the new form and publication dates for SOCIAL JUSTICE, I think the idea splendid, and a great improvement.

SOCIAL JUSTICE carries so much "heavy stuff" that weekly is a too frequent contact. I am sure better results will show on a fortnightly issue date. I would like to see the new plan followed.

—W. J. O'Brien.

St. Paul, Minn.

"If Citizens Did Business the Way Their Governments Do"

—From the Christian Science Monitor

"Co-operation Would Make One Long Rope"

—From the New York Tribune

Has SOCIAL JUSTICE Only One Reason for Being?

To the Editor:

I feel sure that I am right when I believe that SOCIAL JUSTICE was established for one purpose only; that purpose was and is to drive the money changers out of the American temple of justice. In my opinion, to take time and space to fight any movement other than the manipulation of money and credit, taxation, usury, and the art of bonding, will weaken our magazine and will make the chance of winning the fight much harder.

In my opinion SOCIAL JUSTICE should be blind, deaf and dumb to any movement other than beating the money changers at their own game. That is a big enough job for any one paper. To fight Communism or any other "ism" is only treating the effect and not blasting the cause. When we are successful in abolishing our unholy and unjust money racket, we will have destroyed all movements objectionable to our Republican form of government.

Without a doubt, there is enough convincing evidence against these money racketeers to fill this paper from cover to cover, week in and week out for the next century; even then the half would not be told. SOCIAL JUSTICE has already said: **"Destroy the money racketeers' game in America and you will destroy Communism in this country."**

Many magazines and papers write condemning articles on Communism, Socialism, Fascism and Hitlerism, but none of them dare to write damaging and exposing articles against the money racketeers.

Invite the world to send in good articles exposing the money changers and pointing the way out of economic bondage by the government taking complete control of money and national credit and placing the proper amount of money in circulation to meet the necessary demands of all our people. Get more writers like Robert H. Hemphill. Put a flat price on the booklet **"Money, Questions and Answers."** That book should be in every home and every school in our land. Advertise it in a big way. It is a masterpiece.

Our only move is to break the financial chains and free ourselves from this unholy, unChristian, and unAmerican element.

—J. V. Whitehair.

Yakima, Wash.

Money Battlers Need Leader

To the Editor:

In the Congressional Record of *January 20, 1938 (on page 1090)* I find the following:

Mr. LODGE presented a petition of sundry citizens of Springfield, Mass., and vicinity, praying for the enactment of legislation to abolish the Federal Reserve System as at present constituted and to restore the congressional function relative to coining and issuing money and regulating the value thereof, which was referred to the Committee on Banking and Currency.

I have followed the Congressional Record rather closely for a number of years and find that many Senators and members of the House are in favor of restoring the coining and issuing of money and regulating the value thereof, to Congress. It appears however, that they lack a leader.

—U. S Albertson

Charleston, W. Va.

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President Asks Ideas About His "Recession"

Invites Business Men to "Sit In" With Him but Has No Intention of Using Their Plans

By Robert H. Hemphill
(Financial Authority)

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THE president has recently invited big business men and little business men, and some bankers who are neither big business men nor little business men, and some brain trusters who are certainly not business men of any description, and some labor leaders, all to come and sit with him and talk about this business recession.

President Roosevelt apparently believes that if one is a sufficiently slick artist, it is really possible to "fool all the people all the time," and I believe he has come nearer doing it than any one of whom we have any record, except possibly Niccolo Machiavelli.

His Purpose Not Clear

However, he does not seem to have fooled Walter Lippman, who has had his number since early in his first campaign, when he said:

> **"The trouble with Franklin Roosevelt is that his mind is not clear, his purposes are not simple and his methods are not direct."**

I have always regarded that statement as a classic example in avoidance of violent language.

We have had some years now of the **New Deal** brand of political camouflage, and those who are still so gullible as to be again taken in by the president's assumed interest in listening to business men, big or little, certainly deserve to be fooled again.

I suggest that the president hasn't the slightest idea of even giving respectful attention to anyone's plans. His invitations are strictly for the purpose of diverting attention from the current business slump which he is having difficulty in pinning on Big Business, principally because he continually reverses himself by saying, one minute, that big business over-expanded in 1937 and the next minute that it did not expand at all, but on the contrary went on a "capital strike."

Passes Buck to Big Business

The truth is that big business men and little business men and the president all have an equally hazy idea of just what has happened and the president, being a political acrobat who can go forward and backward at the same time, is attempting to make political capital of the situation by inviting all business men to expose their ignorance so that he may say:

> "Well, the government primed the pump for you and when business began to improve you hollered from every housetop for the government to stop spending and let you carry the ball from there on, and when the government did just that, you muffed the play as usual and here you are again, with traffic in a jam in all directions, and the government has got to step in again and get things going."

And then he plans not only to do just that, in the only way the government can—by starting up all the work projects again and increasing the money in circulation, but, if I'm any guesser at all, the president is going to demand a much stronger hold on the business of the country which will, according to the program which he is successfully putting over, have completely demonstrated its inability to govern itself.

Bankers Still Hold the Reins

The real culprits, the commercial bankers of the nation, will not be called to the White House, because they are past masters in the art of saying nothing at all—siding with nobody in any controversy. They feel perfectly secure as long as no one attacks their monopoly of furnishing the imaginary money without which the nation cannot do business.

When the smoke all clears away, no matter which side wins, they will still be in the saddle.

Not only that, but these smooth bankers will continue to bring on alternating periods of inflation and depression which no one, including themselves, will understand because of the fact that almost no one will take the time to grasp three almost obvious facts:

1. That the amount of our mutual exchange of goods and services is necessarily limited to the amount of this medium of exchange in circulation;

2. That the commercial banks create this medium of exchange when they make loans to the public, and destroy it when they call these same loans, and

3. That business transaction does and must expand and contract precisely as this supply of purchasing power expands and contracts.

Mr. Sloan of General Motors Corporation has recently given $10,000,000 to promote study of essential economics. If he will get a grasp on the three statements above, he will know the essence of economics and can devote his ten million to some needed charity.

Bill to Regulate U.S. Money, Prospect for This Congress

(Continued from Page 1)

dollars were plentiful and prices were high. Following each war, dollars were scarce, prices were low and depressions resulted.

"Recognizing that 95 per cent of all our money is created and issued into use by a privately owned corporation, we are aware that wars can be conducted only by spending immense sums of money for destructive purposes.

"Immediately preceding, and during, the progress of a war when money is plentiful, professional bond salesmen plead with the people to invest their dollars in government securities for the purchase of munitions, battleships, cannon and army equipment. Bonds are purchased both by a few private citizens and by the bankers to whom the private citizens entrusted their money. To these tax-exempt bonds were attached enticing, interest-bearing coupons.

War Bond Owners Escape Taxation!

"When we realize the nature of such war bonds we are startled. They represent an investment in destruction with its ghastly shell-holes, its white, wind-swept crosses, its pitiful, broken bodies and its fire-swept cities and countrysides. They do not represent an investment in industry, in homes or in farms. Approximately $20-billion of these non-productive bonds are, at the moment, held in the vaults of the nation's banks **and upon them the owners pay not one penny of taxation!**

"An abundance of money, therefore, was issued into the stream of circulation for non-productive purposes. When the destruction was complete, when millions of soldiers and citizens were anxious to turn their activities to the production of wealth, the history of the American dollar sadly informs us that those who control the issuance of money suddenly withdraw it from circulation **thereby forcing the citizens of a nation to redeem these bonds when due and meet the interest payment represented by their coupons with dollars twice as difficult to obtain and, therefore, twice as valuable.**

"It is difficult to believe that this program of inflation and deflation was managed intentionally so that it was possible for the bondholders to make twice the amount of money represented by their debts due to the doubling of the purchasing power of a scarce medium of exchange. Nevertheless, historical evidence substantiates such a belief.

People Are Awake to Money's "Racket"

"In 1938 the American people stand fettered to the post of poverty and lashed by the whip of an unregulated dollar held in the hands of those who are interested in the concentration of wealth through the medium of bonds issued for destruction, slaughter and pagan hate.

"Fortunately, our generation has discovered the basic cause of our national misery which has been the breeder of class conflict at home and national conflict abroad.

"Of these things I speak intelligently and fearlessly with animosity absent from my heart. If I complain about the unregulated medium of exchange and its nefarious operations, I do so constructively, for **my objective is to encourage the people of the United States, through their duly elected representatives to campaign for and to obtain a regulated dollar** so controlled by the Congress of the United States that it will defy manipulation by individuals who have not discovered the necessity of removing the cancerous cause of our economic illness.

Everybody's Business To Correct Abuses

"As informed and intelligent citizens, it is our business to correct the abuses of the past by removing the causes which produced them.

"This appeal is made not only to the laboring and agricultural classes of America. It is made likewise to the industrialists whose profits will be worthless unless they divorce themselves from the financial domination of monopolists and wed their destinies to the productive activities of labor and agriculture.

"I do not desire to be misinterpreted. The local banker must be protected. He, too, must regain his lost freedom so that he can serve the state, the city or the community of which he is part. The privately owned financial holding companies must relinquish their hold from the throats of the local bankers who are now being throttled by the tentacles of an octopus.

"View the record of banker controlled industry. In 1932 two mail order houses lost $8-million; in 1936 they made a profit above $50-million.

Take a Look At These Figures!

"In 1932 three chemical companies made a profit of $27-million; in 1936 they increased that profit to $96-million.

"In 1932 three farm implement companies lost $15-million, in 1936 they made a profit of $44-million.

"In 1932 four steel companies lost $82-million; in 1936 they made $70-million.

"In 1932 two motor corporations lost $11-million; in 1936 they made a profit of $301-million.

"How many independent industrialists, laboring men and farmers have made proportionate profits during these years — years in which taxation has been imposed upon them outrageously; years in which the cost of living has strangled their progress?

"When the people of the United States of America disabuse themselves of the fairy story that money is a mystery; when they realize that 95 per cent of it is issued into circulation by a group of men who can withdraw it at their pleasure or confiscate the property which borrowers pledged in security for loans; when they appreciate that Congress has it within its power to eliminate this cause of our national distress—then and only then will the dawn light of permanent prosperity begin to shine."

EYES *and* EARS

(Continued from Page 4)

which the prosperity and progress of the nation depend.

8. Class conflict which blocks the only possible avenue to better days, the path of common and coordinated effort of the entire citizenry.

9. Demoralized morale of hundreds of thousands of citizens who, never solid in self respect and unconquerable courage, now seem to prefer government-aid to self-help.

10. The continuing depression which, since it parallels no former fluctuation of the prosperity curve, unnerves the nation in its moments of reflection when, formerly, depression-defeating plans had their birth.

11. A gigantic administration publicity or propaganda bureau which, supported by the people's money, is constantly "educating" the people in the "virtues" of a policy that progressively appears more and more to be "the wrong road back," or forward.

12. The same old money system which through a dishonestly inconstant dollar, exploited the farmer and the laborer, concentrated wealth and was the root cause of the depression of depressions.

13. Fewer industrial organizations (thousands of the "little fellows" having been destroyed by N.R.A. and New Deal taxation—so that, should prosperity ever return, the semi-monopolistic industries would reap the rewards of the new era.

14. A new attitude toward government on the part of a large number of citizens which makes it easy for the charlatan and the crack-pot to be elected to public office on the platform of "giving" more than the opposition.

15. The feeling of defeatism sinking down into the souls of millions of sincere Americans now forced to admit that the great crusade is faltering in the face of the same old enemy.

* * *

Briefly, we find these entries on the national balance sheet.

There will be those who see more than we can find on the credit side of the ledger. Those are they who have forgotten that the president dedicated himself to the business of producing "the more abundant life."

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Official Admits Mr. Roosevelt Does Not Understand Money

Exchange of Letters With Economist Discloses Peril of 'Another Bancroft'

A very high government official at Washington, whose name and position is not mentioned since it might embarrass him with the other leaders of the Democratic party, recently wrote an extensive article in regard to the monetary and banking system of the United States. At the close of the article, President Roosevelt was praised quite highly. The official mailed copies of the article to various writers and students of the subject and requested their candid opinions in regard to it. One of the copies was mailed to Willis A. Overholser, an economist and writer of "The History of Money in the United States." Mr. Overholster replied as follows:

"I am sorry to say that I am unable to share the confidence which has been displayed in the latter part of your article in regard to the president as far as our money system is concerned. Of course, I realize that everything cannot be accomplished at once, but I fail to see where the president is moving in the right direction towards correcting the inherent difficulties and unsound characteristics of our existing money and banking systems. I realize, of course, that you are in a position to be in possession of information which has not been made known to the public.

Favors 100 Per Cent Debt-free Money

"Our monetary and exchange system is almost wholly built upon interest-paying debt. I believe that this is absolutely unsound and that it has been and is leading the vast majority of the people ofpeople of the country as well as the government itself, into inevitable bankruptcy. This unsound condition, I believe, could be corrected by the adoption of the proposals for requiring that banks maintain 100 per cent reserves for demand deposits along the lines suggested by Professor Irving Fisher in "100% Money." The creation of money should not be in the hands of private individuals, whether it is created in the form of legal tender money or in pyramided bank credit. **The creation of all money should be entirely in the hands of the government as legal tender money and interest-free at its creation.**

"Our federal government is under the affirmative duty of providing the country with a uniform medium of exchange. That is a duty which necessarily and inherently devolves upon every sovereign power. As a result of the machinations of the banking interests, a system was long ago established whereunder interest must be paid to the money changers for virtually every dollar of money that is placed in circulation and whereunder interest must continue to be so paid so long as money remains in circulation. The Federal Reserve System did not change this situation. In fact, it made that situation more complete and more airtight. It has been set up as a glorification of that inherently unsound and unjust condition. I believe that a careful study of history will disclose not only that the present system is unnecessary, but that it is absolutely wrong and unsound."

President Doesn't Understand Money

In reply to the foregoing letter, the unnamed Washington official wrote the following to Mr. Overholser:

"I agree with you 100 per cent on everything you say. In short, I am opposed to the president's position on the money and banking systems; however, I give him credit for being honest and sincere, and he just doesn't understand the monetary system. The president was bred, born and reared in a plutocratic atmosphere, and like all other presidents with the exception of Andrew Jackson, the International Bankers, through their insidious, subtle influence, have ingratiated their Doctor Bancroft into his confidence."

The "Doctor Bancroft" referred to was Dr. Edward Bancroft, who lived during the Revolutionary war, and had gained the confidence of Benjamin Franklin.

Bancroft has been called the "worst traitor of the Revolution", although not widely known. It is said he outdid Benedict Arnold. He won the implicit confidence of Benjamin Franklin, and through his machinations, the Revolutionary war was prolonged measurably. Without them, the indescribable sufferings of Washington's soldiers at Valley Forge might have been avoided.

In 1776 Congress appointed a commission to France with Benjamin Franklin as its head. Dr. Bancroft served as chief confidential man to Franklin. At the same time, he acted as a paid spy for the British government. Every happening at Franklin's Embassy appears to have found its way instantly to Downing Street, the seat of the British government, and the prolongation of the war is alleged to have been owing, more than any other single cause, to the information constantly supplied by Dr. Bancroft, for money, to the British ministry.

Details of American attempts to obtain foreign credits; about every ship sailing for America, its cargo, its port and sailing date, its projected course so that British ships might be placed advantageously for interception; and details in regard to many other matters were promptly supplied to the British by this arch-traitor. Ship after ship cleared French ports for America, only to be scooped in by the British cordon. Valley Forge would have been much less distressing had the blankets, shoes, tents, and clothes dispatched from Europe not been confiscated through information given by Bancroft. These are some of the matters revealed in **"The Lees of Virginia,"** by Burton J. Kendrick, which he substantiates with convincing documentary proof, including signed admissions by Bancroft.

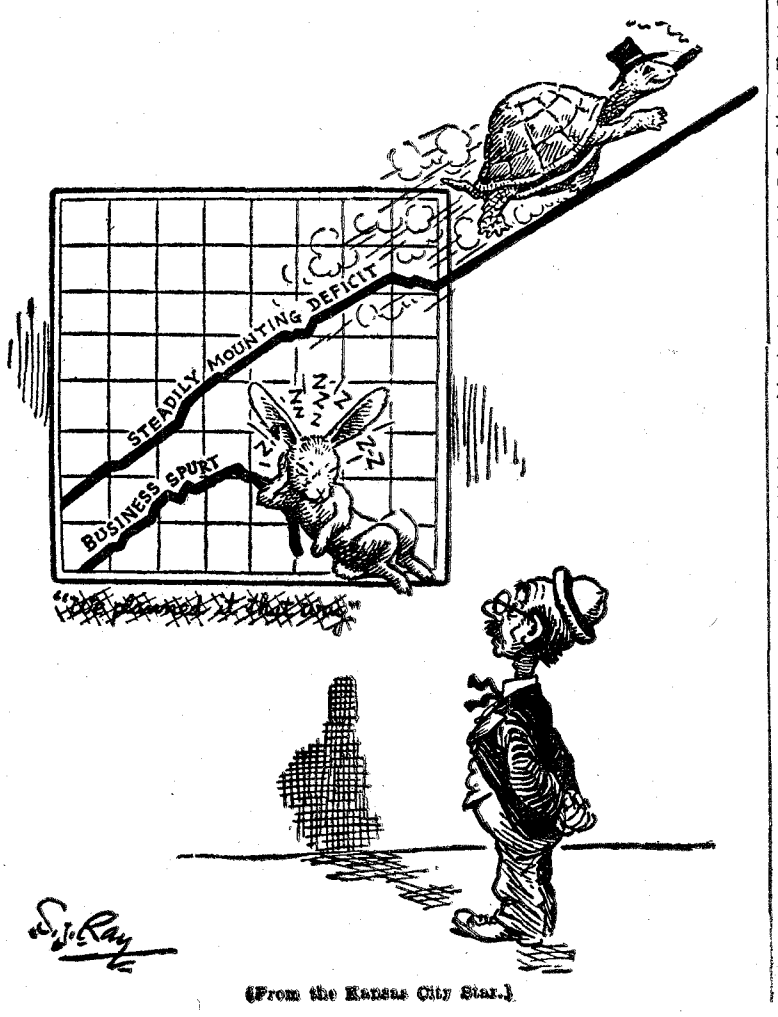
Who is the Dr. Bancroft today? Who is helping prolong the great economic depression and heaping misery and disaster upon the people by diverting the president from a course in dealing with our monetary and banking systems which is obviously necessary for the welfare of the people of the United States?

Roosevelt Missing Chance at Greatness

In a final letter of reply the Washington official wrote as follows:

"It is difficult, however, to understand how anyone could attain the high office of president without being imbued, at least after attaining the presidency, with a fairly high degree of sincerity. A man who has become president of the United States has attained the highest office within the gift of man. About the only higher honor that he can strive for is the honor of being a greater president than other presidents and certainly, the only way in which he can attain that honor is through sincerity and the accomplishing of the greatest things possible for the general welfare. However, to attain the presidency, a man has to be a politician and in getting there, he acquires certain political habits and methods which may not always be entirely consistent with the true display of sincerity. No doubt, even a successful president must still be a good politician. Very often present political expediency may prove detrimental to the general welfare. Granting that the president is sincere, I feel that sometimes he lets political expediency outweigh his sincerity.

"There is an old saying that hell is paved with good intentions. It is not enough for the president just to be sincere. His sincerity must be so strong as to prevent him from pursuing courses that are too far wrong. **The president's adhering to an unsound and an unjust monetary and banking system is wrecking his program, is ruining his chances of being the greatest president in history,** and in fact, is very apt to send him from the presidency as a badly discredited and despised man. I sincerely hope that something can be done to wake him up, but I feel that his having been born, bred and reared in a plutocratic and banking atmosphere will too greatly obstruct his vision for him to be able to see the light."



(From the Kansas City Star.)

Searchlight On the Money Changers

NEW YORK, N. Y. — Owen D. Young, chairman of General Electric Company, has been appointed chairman and agent of the Federal Reserve Bank of New York—the key bank of the Federal Reserve System. Also announced was the appointment of Beardsley Ruml, treasurer of the R. H. Macy & Company, as deputy chairman. The Macys are related to Kuhn-Loeb, the international banking house which floated the German war bonds and the notorious South American bonds. The founder of the Federal Reserve System, the Warburgs, are also members of Kuhn-Loeb & Company. Jacob Schiff was also a member of this banking firm. Thus though they secure the appointments of key men to front for their operations, the international bankers remain discreetly in the background, issuing orders. The post of chairman is now largely honorary. Prior to the banking act of 1935, the chairman received a salary of $50,000 a year the same as the president of the New York Federal Reserve Bank.

French Gold Hoard Safe in Vault

PARIS, FRANCE — The international money changers are well prepared for the impending blow-up in France both from domestic disorders as well as outside forces that may attack. Eighty-five feet below the Bank of France lies an underground fortress wherein is stored the gold reserve. Should enemy airplanes arrive to bomb Paris, the whole office apparatus of the Bank—from adding machines to clerks—will descend to the vaults and continue their work unhampered by wailing women and children and the shouts of terrified French compatriots.

Japanese Victims of an "Oversight"

LONDON, ENGLAND—The British financiers are laughing up their sleeves at the fast one they pulled on the Japanese in the bidding for the liner Leviathan, recently sold at auction. The great liner's hull is made of nickel steel, an extremely valuable metal used in armaments. This information enabled the British to bid $800,000 for the liner against a much smaller bid by Japan. The British Syndicate, Metal Products, Ltd., knew that the Leviathan was the largest vessel ever built from nickel steel. When the Japanese protested that this point was not specified in the information pertaining to the auction, they were politely informed "that it was an oversight of those who gave out the information."

Public Spending Pace Continues

WASHINGTON, D. C.—The United States Treasury reports that on January 15, after 6½ months of the fiscal year, the deficit is $795-million. President Roosevelt estimated some two weeks ago that the deficit at the end of the fiscal year would be about $1-billion and a quarter. The Treasury report showed that both receipts and expenditures were continuing to run ahead of the previous fiscal year. The public debt was figured at $37-billion, 400 million, compared with $34-billion, 462-million, a year ago.

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No Recovery Without Financial Reform

SOCIAL JUSTICE

National Weekly Review

5c Per Copy

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Wheeler Leads Drive to Break Grip of Rail Holding Monopoly

Senator Seeks To Learn Part Big Banks Play

United States Senator Burton K. Wheeler is leading another fight for social justice in the halls of Congress, and again he is being met with the strenuous opposition of the administration.

Fresh from his victorious campaign against efforts to destroy the Supreme Court, the Senator from Montana has now declared war on the railroad monopoly which the administration seems anxious to make safe for the banking houses of J. P. Morgan and Kuhn-Loeb.

Specifically, Mr. Wheeler is trying to unravel the web of holding companies which these international banking firms have spun about the railroads of the United States. This is a herculean task, for the Senator has to buck the powerful liaison which Bernard Baruch, Morgan and Kuhn-Loeb associate, has built up between Wall Street and the White House.

Commerce Board Can't Be Bothered

The success of Mr. Baruch's endeavors is reflected in the supine attitude of the Interstate Commerce Commission toward the problem at hand.

A recent report from Washington is that the I. C. C. has flatly refused to take cognizance of the part Morgan and Kuhn-Loeb holding companies have played in looting railroad treasuries. This looting accounts for the current petition of the rail industry for a 15 per cent rate increase. The additional money is needed to replace operating funds seized by the holding companies.

While the I. C. C. Commissioners admitted that no competitive industry "can work out its salvation through a price-increasing policy alone," they made it clear their report **was not indicative of their attitude toward the rate-increase petition.**

Bank Owners Deter Economy

"We have an entirely open mind," the commissioners hedged.

The commissioners scolded the railroads, instead of the bankers who own them, and criticized what they said was the failure of the roads to economize on operating expenses.

SOCIAL JUSTICE—and no doubt Senator Wheeler—would like to know how economy can be effected, while Morgan and Kuhn-Loeb bankers continue to divert operating funds in stock deals, hoping thereby to win rate increase concessions from the government.

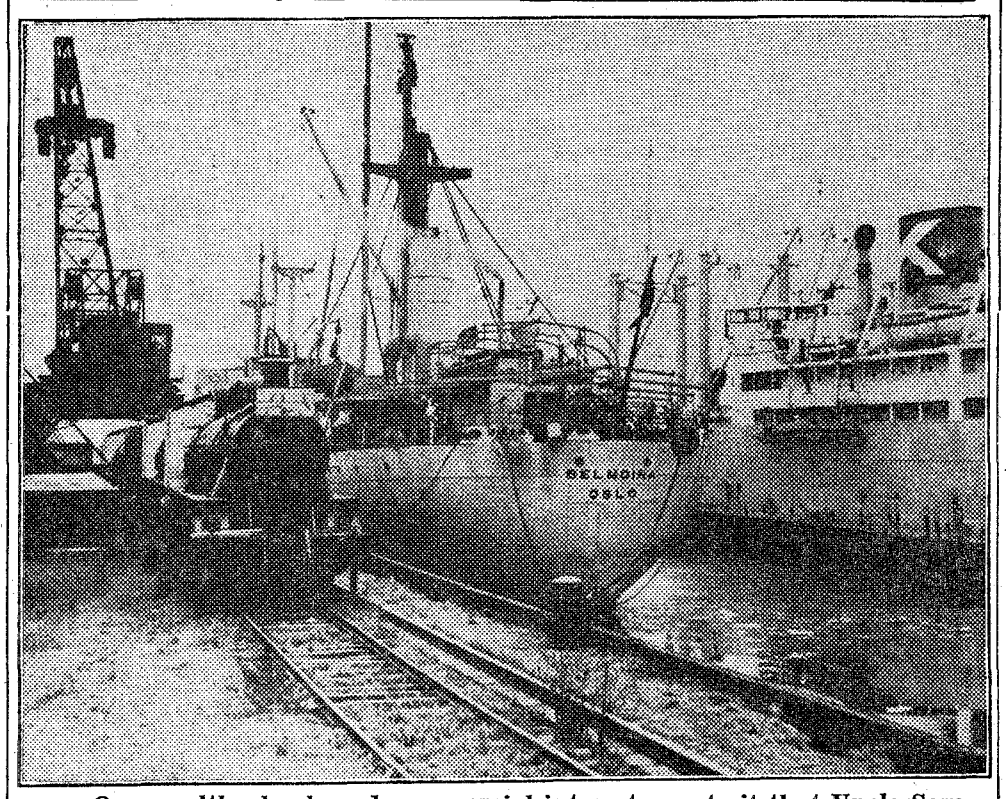
Fuel for War of China

The United States is doing its bit to keep the Japan-China war rumbling on. Exports to both belligerent nations increased during the last part of 1937, although Japan, being the less productive, snatched a bigger portion of the outflow trade.

One-seventh of our entire cotton exports, or 890,000 bales, bearing the license of our State Department, went to Japan during the year. Cotton is a very important element in the manufacture of munitions.

Other products exported to Japan from June to October, 1937, included: 12,520,904 barrels of crude oil; 111,592,512 pounds of refined copper; 1,871,644 tons of steel, iron and tin scrap; 29,741,432 pounds of steel sheeting; 79,633,089 pounds of tin plate and terneplate; 9,013,131 barrels of fuel oil; 10,789,429 pounds of scrap copper; 844,139 barrels of gasoline, and 361,928 barrels of lubricating oil.

War Rivals Load Up At U.S. Port



Our wealthy bank and commercial interests see to it that Uncle Sam is a "good neighbor" to both Japan and China in their attempts to destroy each other. Above (left) is a Norwegian freighter loading up with locomotives for use by the Chinese army. A few feet away (right), is a Japanese "K" line ship taking on supplies. *—Acme Picture*

Holding Concern Is Charged With Breaking Federal Law

Directors of the Kuhn-Loeb banking firm purchased control of the Pittsburgh and West Virginia Railway in 1929 and, according to Senator Burton K. Wheeler, chairman of a special investigating committee, they did it in violation of federal law.

An interest of more than 75 per cent in the line was bought by the Pennroad Corporation, a Kuhn-Loeb holding company, organized ostensibly as a voting trust of Pennsylvania Railroad directors.

Pennroad officers, as well as Pittsburgh and West Virginia officials, were charged by Wheeler's committee with violating the Clayton anti-monopoly law and with "concealing" evidence from a 1933 Senate investigation.

Committee records show that Pennroad bought more than 223,000 shares of the railroad stock for about $40,000,000. About half of that represented a net profit for a few officials of the Pittsburgh and West Virginia, it was stated.

Frank E. Taplin, president of the purchased road, denied Wheeler's charges and said that no "commission" was paid to Kuhn-Loeb when the deal was negotiated. He disputed the contention that his company and the Pennroad Corporation had concealed evidence of the sale.

Senate Okays Detractor of Member's Kin

Administration leaders stooped to a new low in cheap politics when they jammed the confirmation of F. Roy Yoke, presidential appointee as internal revenue collector for West Virginia, through the Senate.

Yoke's appointment was a Roosevelt "reprisal" against Senator Rush D. Holt of West Virginia for Holt's record as a friend of social justice and an opponent of New Deal insanities.

If ever a man had cause for loathing another, Rush Holt has cause to loathe Yoke. If ever a Senator had just reason to raise the objection of "personal obnoxiousness" in an effort to block appointment of a presidential appointee, Senator Holt had just reason to do so against Yoke.

Father Assailed, Mother Stoned

Yoke, a former school superintendent in Weston, W. Va., native city of the Holt family, reviled the character of the young Senator's father in 1917 for the latter's opposition to our entrance into the World War.

Because the elder Holt, a reputable physician of wide practice, had objected to American soldiers being slaughtered in France, Yoke told an assembly of school children, among them the present Senator, that "Old Doc Holt should be stood up before a white wall and shot until his blood stained the wall." According to testimony brought out in the Senate, he also approved of a mob which stoned Senator Holt's mother about the same time.

Stooges Accede As Whip Cracks

Yet this man was appointed to a high federal post in West Virginia by President Roosevelt. The Senate sub-committee on finance, learning of his record, **refused to confirm him and recommended that he be rejected when his appointment was debated on the floor.** Despite this recommendation, Yoke's confirmation was railroaded through by Floor Leader Barkley and other White House stooges who put politics before decency.

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